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DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR 1994

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BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS
FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS

BOB CARR, Michigan, *Chairman*

RICHARD J. DURBIN, Illinois	FRANK R. WOLF, Virginia
MARTIN OLAV SABO, Minnesota	TOM DeLAY, Texas
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DELACROIX DAVIS III, RICHARD E. EFFORD, CHERYL L. SMITH, and LINDA J. MUIR,
Subcommittee Staff

PART 5

Page
DEPARTMENT OF TRANSPORTATION:
Federal Railroad Administration 319
Grants to Amtrak 511
Research and Special Programs Administration 747
RELATED AGENCY:
Interstate Commerce Commission 1

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HEARINGS

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DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR 1994

WEDNESDAY, MARCH 31, 1993.

INTERSTATE COMMERCE COMMISSION

WITNESSES

GAIL C. McDONALD, CHAIRMAN
J.J. SIMMONS, III, VICE CHAIRMAN
GREGORY S. WALDEN, COMMISSIONER
RICHARD H. MOOERS, ACTING MANAGING DIRECTOR
ANTHONY JACOBIK, JR., CHIEF, BUDGET AND FISCAL OFFICE
HENRI RUSH, DEPUTY GENERAL COUNSEL

OPENING REMARKS

Mr. CARR. Good morning.

We apologize for the late start this morning. We were called to a meeting by Chairman Natcher. We appreciate your being here. We are going to hear from the Interstate Commerce Commission on its fiscal year 1994 budget proposals.

Our witnesses this morning are the Chairman, Ms. McDonald, Vice Chairman Simmons, and Commissioner Walden.

Chairman McDonald, this is not your first appearance before this Subcommittee. It is, however, your first appearance before this Subcommittee in your new capacity. We welcome you. We also welcome Vice Chairman Simmons who testified here in previous years. I believe, Mr. Walden, this is your first appearance before this Subcommittee.

Mr. WALDEN. I was previously chief counsel of FAA. I think I may have appeared then.

Mr. CARR. You were in the room.

Mr. WALDEN. Second row. That's right.

[Laughter.]

STATEMENT OF CHAIRMAN McDONALD

Mr. CARR. You moved up a row.

We appreciate having the opportunity to hear all your views and concerns. Chairman McDonald, my understanding is that you have an opening statement. We will include that in its entirety in the record and ask you to proceed.

Ms. McDONALD. Thank you, Mr. Chairman.

It is an honor to be here this morning to present the ICC's Fiscal Year 1994 appropriation request. In addition to my colleagues, let me introduce our Managing Director, Mr. Richard Mooers, and his chief of the Budget and Fiscal Office, Tony Jacobik.

Before I review our appropriation request, I would like to summarize the ICC's responses to last year's Committee report.

First, this Committee recommended that the Commission begin a more aggressive implementation of electronic tariff filing. At a conference last week, the ICC voted to seek comments on possible approaches to electronic tariff filing. This is a complex issue, and we are hopeful that the comments from the industry will provide us with viable options.

Second, your Committee disagreed with the Commission's decision to raise the reporting threshold criteria for class I railroads, and your report directed us to continue collecting data from those carriers that qualified as class I railroads under previous criteria. The conferees did not adopt this language. Consequently, the Commission continues to follow the reporting requirements established by the new class I threshold.

Third, you directed that for fiscal year 1993 certain categories of expenses be held to their fiscal year 1992 funding levels. Although we are requesting increases in certain categories that you highlighted, our overall fiscal year 1994 request for those categories, excluding the $1 million request for optical scanning equipment, is $123,000 less than the Fiscal Year 1993 spending limit.

Finally, the Conference Committee expressed concern about competition in the intercity bus industry. One recent action of the Commission has been to initiate a major staff study of this segment of the industry. This is the Commission's most comprehensive examination of the bus industry since 1988 when it approved the purchase by a Greyhound affiliate of the operating assets of the Trailways system. A key focus of this study is the availability and adequacy of service. We expect to complete it early this summer.

For Fiscal Year 1994, the Commission is requesting an appropriation of $45.466 million and 620 FTEs. As you know, the Commission unanimously approved the request, though four Commissioners have submitted separate expressions that specify the staffing levels they endorse as more appropriate.

Our requested budget complies with the President's 2.5-percent reduction in Federal positions in Fiscal Year 1994 from the authorized Fiscal Year 1993 levels. We are also complying with the President's directive to achieve in this Fiscal Year a 1-percent reduction from the authorized Fiscal Year 1993 levels. Our proposed budget also reflects the 3-percent reduction in administrative expenses.

Our total staff-year request for Fiscal Year 1994 is 16 staff-years fewer than the Fiscal Year 1993 authorized level, while our $45.466 million request reflects an increase of $1.536 million from Fiscal Year 1993.

The major portion of the dollar increase in the budget addresses the Commission's need to redesign our information systems. To this end, we are engaged in a long-term planning effort with the Department of Transportation's Volpe National Transportation Systems Center.

The dollar increase also reflects increased costs in six areas. Two of these—namely personnel costs and office space rentals—will be somewhat offset by the proposed reduction in staffing. The other four areas in which costs are expected to increase are: communications and utilities; other services, such as employee training; furniture and equipment; and personnel benefits, travel, and transportation of things needed to realign the regional work force in light of the eligibility for retirement of many senior staff members.

The reduction in staff-years from the Fiscal Year 1993 authorized level is due to the Government-wide reduction of Federal positions and assumes no legislative changes.

Although the Commission believes it can perform its responsibilities with an FTE level of 620, our overall workload is increasing. A more thorough, office-by-office review of our workload is contained in our budget submissions, as is a summary of the Commission's activities for Fiscal Year 1992. But I would like to highlight one area of great activity for you, which is the area of undercharges.

Our staff estimates that there are approximately 370,000 pending undercharge cases in the courts that could be referred to the Commission. This is in addition to the existing undercharge caseload, which consists of about 250 cases which we currently have.

The Commission's Office of Proceedings is responsible for processing these cases, but it is not the only office affected. The Office of Tariffs has experienced a significant increase in the number of filings. The Office of General Counsel is busy litigating undercharge cases in courts throughout the country.

Thank you for the opportunity to appear before you. My colleagues and I would be pleased to take your questions.

[The prepared statement and opening statement of Chairman McDonald follow:]

STATEMENT OF GAIL C. MCDONALD

CHAIRMAN, INTERSTATE COMMERCE COMMISSION

BEFORE THE SUBCOMMITTEE ON TRANSPORTATION

AND RELATED AGENCIES

HOUSE COMMITTEE ON APPROPRIATIONS

March 31, 1993

Fiscal Year 1994 Budget Request

Mr. Chairman, Members of the Subcommittee:

Thank you for inviting me here today to testify in support of the Interstate Commerce Commission's appropriation request for FY 1994. I will review the Commission's request with you and compare the request with the Commission's FY 1993 appropriation. Before I move to our request, I would like to summarize the Commission's responses to last year's Committee Report.

First, the full House Committee on Appropriations recommended that the Commission begin a more aggressive implementation of electronic tariff filing, and the Conference Committee did not modify that recommendation. Our FY 1994 budget submission to the Office of Management and Budget (OMB) included a $5 million request to begin the process of moving toward electronic tariff filing. That request was eliminated in the OMB passback. At a voting conference last week, the Commission voted to reopen an advance notice of proposed rulemaking seeking comments on possible approaches to electronic tariff filing, as well as the desirability and need for regulatory reform in the tariff area. This is a complex issue and we are hopeful that the comments will provide us with viable options.

Second, your Committee disagreed with the Commission's decision to raise the reporting threshold criteria for class I railroads, and your Report directed the Commission to continue collecting data from those railroads that qualified as class I railroads under the previous criteria. The conferees did not adopt this language. Consequently, the Commission continues to follow the reporting requirements established by the new class I threshold.

Third, you directed that for FY 1993 certain categories of expenses be held to their FY 1992 levels, and the conferees did not modify your language. Although we are requesting for FY 1994 increases in certain categories that you highlighted, our overall request for those categories, excluding the one-time $1 million request for optical scanning equipment for the Office of Tariffs, is $123,000 less than the FY 1993 spending limit.

Finally, the Conference Committee expressed concern about competition in the intercity bus industry and strongly urged the Commission and all intercity bus companies to work together to assure continued access to affordable bus service.

The Commission staff has recently undertaken a major study of the nation's intercity bus industry[1]—the Commission's most comprehensive examination of the industry since 1988, when it approved the purchase by a Greyhound affiliate of the operating assets of Trailways Lines, Inc.[2] The bus industry has experienced significant changes since then, and concern over the state of the industry has been raised in several quarters. A key focus of our study is the availability and adequacy of service. As the study will be interdisciplinary, it will require the active participation of several of the agency's offices. For example, as part of the study's information gathering process, staff from both the Office of Compliance and Consumer Assistance (OCCA) and the Office of Economics will conduct site visits and field work at various locations around the country. The study will be completed this summer.

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[1] The study has been docketed under Ex Parte No. MC-95 (Sub-No. 8), Adequacy of Intercity Motor Common Carrier Passenger Service, notice served March 5, 1993.

For FY 1994, the Commission is requesting an appropriation of \$45.466 million and 620 full-time equivalents.[3] As you know, the Commission unanimously approved the request, though four Commissioners have submitted separate expressions that specify the staffing levels they endorse as more appropriate than the 620 requested.

Our requested budget complies with the President's 2.5 percent reduction in Federal positions in FY 1994 from authorized FY 1993 levels. We are also complying with the President's directive to achieve in this fiscal year a one percent reduction from the authorized FY 1993 levels. Our requested budget also reflects the 3.0 percent reduction in administrative expenses from FY 1993.

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[2] GLI Acquisition Company--Purchase--Trailways Lines, Inc., et al., 4 I.C.C.2d 591 (1988), affirmed by unprinted decision (No. MC-F-18505) served October 6, 1988, *aff'd sub nom.*, Peter Pan Bus Lines, Inc., et al. v. Interstate Commerce Commission, Nos. 88-1566 and 88-1567 (D.C. Cir. May 8, 1989) (per curiam).

[3] In FY 1992, Congress provided that user fees collected pursuant to 31 U.S.C. 9701 would be made available to the Commission to offset its total budget request. The Commission's FY 1994 budget request assumes the continuation of this offset provision and estimates non-Federal user fee collections of \$7.3 million. Absent the user-fee offset, the Commission's budget request is \$52.766 million.

Our total staff year request for FY 1994 is 16 staff-years fewer than the FY 1993 authorized level, while our $45.466 million request reflects an increase of $1.536 million from FY 1993.

The major portion of the dollar increase in the budget request addresses the Commission's need to redesign our information systems. The necessary tasks include: development of software code and of data file and database structures; selection of appropriate supportive hardware; and acquisition of optical imaging equipment for the Office of Tariffs. To this end, the Commission is engaged in a long-term planning effort with the Department of Transportation's Volpe National Transportation Systems Center.

The dollar increase in our budget request also reflects increased costs in six areas. Two of these areas, namely personnel costs and office space rentals, will be somewhat offset by the proposed reduction in staffing. We foresee increased personnel costs due to in-grade salary increases and increased costs for health benefits. For office rentals, we expect a projected 5.8 percent increase in rates charged by the General Services Administration and adjustments in the rentals of field office space. The other four areas in which costs are expected to increase are: (1) communications and utilities, where we foresee inflationary increases in copier rental charges and higher local telephone service fees; (2) other services, including employee training and provision of the employee health room; (3) furniture and equipment, due partly to the purchase of modular systems furniture for the Fort Worth regional office; and (4) personnel benefits, travel, and transportation of things, stemming from OCCA's request for change-of-duty funds needed to realign the regional workforce in light of the eligibility for retirement of many senior staff members.

The reduction in staff years from the FY 1993 authorized level is due to the government-wide reduction of Federal positions and assumes no legislative changes. The realignment of staff years is the result of a continuing review of our organization and workload, with the goal of maximum utilization of resources.

In January 1993, we submitted a reprogramming request to this Subcommittee, as well as to our Senate Appropriations Subcommittee, seeking approval to consolidate and streamline the Commission's operating authority application process by reorganizing the Office of the Secretary. The requested reorganization would transfer 20 staff years from the paralegal branches of the Office of Proceedings to the Office of the Secretary. We have received Senate authorization and await your response.

Although the Commission believes it can perform its responsibilities with an FTE level of 620, our overall workload is increasing. A more thorough, office-by-office, review of our workload is contained in our budget submission, as is a summary of

Commission activities for FY 1992, but I'd like to highlight several of our most active areas for you.

The most critical involves the area of motor carrier rates, specifically, undercharges. In 1990, the Supreme Court invalidated the Commission's negotiated rates policy in Maislin Indus., U.S. v. Primary Steel, Inc., 497 U.S. 116 (1990). The impact of this decision on the Commission's workload was felt most dramatically in three offices -- the Office of Proceedings, the Office of Tariffs, and the Office of General Counsel. Our staff estimates that there are approximately 370,000 pending undercharge cases in the courts that could be referred to the Commission.

In the Office of Proceedings, the number of undercharge cases has increased markedly, much more than the raw staff year numbers for FY 1992 and FY 1993 would suggest. To date, there are over 250 undercharge cases which have been referred to or filed with the Commission. In FY 1992, most of the cases were held in abeyance as the Commission staff shifted its focus to the development of decisional standards, including standards for assessing the reasonableness of motor carrier rates.[4] Beginning with FY 1993, record building accelerated in the pending cases and, as the records closed in individual cases, the number of decisions increased. We expect a steady influx of cases in FY 1993 and FY 1994 at levels substantially higher than in prior years. The

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[4] The Commission is reviewing the recent Supreme Court decision in Reiter v. Cooper and its implications for other undercharge proceedings, in particular, for Georgia-Pacific (9 I.C.C.2d 103 (1992)) and the rate reasonableness standard adopted there.

Commission will manage its increased docket by issuing decisions in lead cases, which can then be applied to groups of cases with common issues, but even with this strategy, a larger staff allocation to rates decisions will be required.

In the Office of Tariffs, the number of tariff filings is expected to continue to increase as a result of the Maislin decision's affirmation of the filed rate doctrine. The FY 1993 authorized staff-year increase of nine FTEs is intended to provide for more adequate review, maintenance, and examination of tariffs.[5] The goal is to improve the review of newly filed tariffs prior to their effective dates in order to decrease the number of unlawful tariffs that are actually accepted for filing. The Office of Tariffs also provides support to the Office of Proceedings by providing tariff analysis in rates cases.

In the Office of General Counsel, undercharge litigation escalated significantly during FY 1992 and FY 1993 to date. In the wake of the Maislin decision, the undercharge crisis mushroomed, as the trustees and agents of insolvent carriers, looking for ways to maximize the potential assets of their estates, began not only to rebill shippers who had paid rates not contained in a tariff filing but also to rebill shippers who had paid a filed tariff rate. Carrier estates are now rebilling shippers by relying on a multitude of theories for substituting a higher tariff rate than the one that was paid, including disavowal of the legality of their own rate filings or their own contracts executed under an ICC contract carriage permit. Moreover, their collection agents have sought to coerce shippers into settling and paying highly dubious undercharge claims rather than face litigation expenses.

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[5] The Office of Tariffs processed, reviewed, and filed a total of 1.5 million tariffs and related documents in FY 1992 as compared to 1.36 million tariffs in FY 1991.

The Commission attacked the problem of egregious collection practices in several ways, each of which led to substantial litigation. For example, the Office of the General Counsel, together with OCCA, sought court injunctions in certain cases to prevent trustees of bankrupt carriers from asserting certain categories of impermissible claims. The litigation in one of those cases has culminated in the government seeking Supreme Court review. The Commission also initiated its own show-cause proceeding to stop trustees of bankrupt carriers from asserting impermissible claims, and the Office of General Counsel has been defending that action in court, with the assistance of the Department of Justice. In addition, the Office of General Counsel, supported by the Justice Department, has intervened in selected undercharge cases throughout the country in an attempt to protect the Commission's role in resolving the underlying regulatory issues under the doctrine of primary jurisdiction, and protect the shipping public from having to pay undercharge claims before the validity of those claims is resolved. Finally, the Office of General Counsel has participated in many court cases to defend other Commission decisions that addressed and resolved undercharge issues.

The scope and magnitude of the undercharge crisis can be expeditiously resolved only through Congressional action. The Commission has supported efforts to resolve the problem through legislation. Prompt enactment of such legislation would significantly reduce the amount of staff resources currently devoted by the Office of General Counsel, Tariffs, and Proceedings to resolve these cases. These staff resources could then be reduced or freed to work in other deserving areas.

Another active area that consumes considerable Commission resources is rail finance. The number of line sale proceedings involving minor merger or consolidation transactions may increase as the economy improves and credit becomes easier to obtain. Moreover, the number of Section 10901 line sale transactions is expected to increase in FY 1993 and stabilize in 1994. Labor issues surrounding these types of transactions make forecasting difficult.

The number of large consolidation cases is expected to remain stable, but due to the size and complexity of these proceedings, a significant amount of staff time is required to handle them. Currently, the Commission has two large consolidation proceedings before it: the application of Union Pacific Corporation and its subsidiaries (UP) to acquire common control of Chicago and North Western Transportation Company (CNW), and the application of Kansas City Southern Industries, Inc. to acquire control of MidSouth Corporation and its subsidiaries. Large consolidation proceedings involving two or more class I railroads, such as the UP/CNW transaction, require significant staff time throughout the fiscal year, and each proceeding generates approximately 10 to 20 decisions.

In recent years, an increasing number of construction applications has been filed with the Commission. These cases are extremely staff intensive, frequently requiring site visits, and involve significant environmental review. Currently, 20 construction cases are under active environmental review, and an additional 24 are at the inquiry stage.

Miscellaneous finance matters, such as review of arbitration decisions implementing Commission-imposed labor protective conditions and Amtrak compensation cases, typically are complex and contentious. While the number of these cases has remained stable, the issues involved are expected to continue to require considerable staff time.

Finally, the number of abandonment decisions is projected to increase in FY 1993 and FY 1994, as railroads continue to seek to improve their profitability by shedding marginal or unprofitable lines, thereby increasing traffic density over their remaining lines.

Thank you for the opportunity to appear before you. I would be pleased to respond to your questions at this time.

VICE CHAIRMAN SIMMONS, commenting:

It was not my original intention to submit any statement in connection with Chairman McDonald's testimony at today's hearing. My position on the Commission's FY 1994 Budget Request has already been made clear in a separate expression in the formal budget document transmitted to Congress on March 24, 1993. However, inasmuch as the former Chairman has taken this opportunity to question the views set out in my separate expression, I feel compelled to respond here.

I am well aware that the reforms of the Staggers Act and the Motor Carrier Act of 1980 reduced the Commission's regulatory responsibilities and thus the staffing levels required to carry out these responsibilities. I am also aware that the Commission remains charged, even after 1980, with a number of responsibilities directly grounded in our governing statute. Congress has emphasized to us the importance of these remaining duties in oversight and budget hearings throughout my tenure on the Commission. To state that a minimum staffing level is necessary to perform these core functions does not strike me as being "apocalyptic." Neither is it unreasonable to assert that this minimum level has now been reached after staff reductions of 70 percent over the last thirteen years.

The former Chairman has specifically questioned my assertion that the Commission's failure to enforce statutory tariff-filing requirements led to the undercharge crisis. He finds the genesis of the crisis in competitive forces unleased by the Motor Carrier

Act. I will only note that the Commission's role in the undercharge problem was recently addressed by the Senate Appropriations Committee.

> The Committee remains concerned about the ICC's failure to adequately enforce motor carrier tariff filing standards required by law. A great deal of undercharge litigation and confusion has been created for the shipping public as a direct result of the Commission's failure to adequately enforce compliance with tariff requirements. There is a pressing need to rectify this matter within the framework of existing law. Despite the ICC's case-by-case approach addressing the lawfulness of tariff forms, the number of unlawful filings remains substantial.

S. Rep. No. 351, 102d Cong., 2d Sess. 187 (1992).

I also do not understand the import of the former Chairman's observation that no level of enforcement staffing could ensure that every motor carrier filed every legally required tariff. If the suggestion is that enforcement staffing at the ICC is unnecessary because we can never attain 100 percent compliance, I strongly disagree. Any agency or organization with enforcement responsibilities relies to a large extent on voluntary compliance. The level of voluntary compliance will be much greater if the agency has the will and the capability to enforce compliance by those who would otherwise ignore the law. The concept of deterrence is well understood by groups ranging from motor carriers to the military. Unfortunately, this Commission in the past has not always had the determination or the means to enforce full compliance with tariff filing requirements.

Finally, the former Chairman's support for a staffing level of

574 FTE's in FY 1994 must be addressed. This number was developed using a supposed distinction between "statutory" and "discretionary" functions which was first advanced in connection with our FY 1993 Budget. After initially voting to request 649 FTE's for FY 1993, the former Chairman subsequently advocated a staffing level of 550 FTE's imposed on the Commission by the Office of Management and Budget. This lower number was then alleged to be all that was required to perform our "statutory" duties. Functions termed "discretionary", including all public assistance and outreach activities, would have been terminated. When the theory of "discretionary" and "statutory" functions was put forth at hearings before the House and Senate Appropriations Subcommittees, it was met with skepticism and even hostility. Subsequently, Congress authorized 636 FTE's for FY 1993.

I believe the former Chairman's 574 FTE proposal for FY 1994 is no more realistic than the (surprisingly lower) 550 FTE proposal which was decisively rejected by Congress in its deliberations on our FY 1993 budget. I ask this Committee and the Congress to give us the resources necessary to fully meet our responsibilities under existing law. The public whom we serve deserves no less.

COMMISSIONER PHILLIPS, commenting:

I would have preferred a fiscal year (FY) 1994 budget based on a staffing level of 600 FTEs, allocated among the offices as described below. Despite this preference, I have voted to approve the Chairman's proposal, as contained in the Managing Director's FY 1994 Passback Recommendations. This vote reflects my view that it is appropriate to defer to the Chairman's judgment in exercising my vote on the FY 1994 budget, because these recommendations mark the first opportunity for the new Administration and our new Chairman to set a benchmark for funding of the Interstate Commerce Commission.

In my judgment a staffing level of 600 FTEs is preferable both to the 620 FTEs provided in the Office of Management and Budget's (OMB) passback and the Managing Director's Fiscal Year 1994 Passback Recommendations, and the 574 FTEs provided by the Commission's Fiscal Year 1994 Budget Estimates submitted to OMB in September 1992. Staffing at 600 FTEs would provide sufficient staffing of the Commission's current functions. At the same time, it would permit substantial fulfillment of the Commission's goal, as reflected in the FY 1994 Budget Estimates, of contributing significantly to government-wide deficit reduction, while alleviating the most dire of the consequences predicted to result from the staffing level of 574 FTEs. In voting to adopt 574 FTEs at the Commission's Open Voting Conference in July, 1992, I expressed my agreement with that overall number and reluctance to disturb the package of recommendations developed by the Office

Directors for staffing the Commission's statutory functions. Concurrently, I voiced concern over some of the more drastic consequences that were predicted to result.

My proposal would alleviate the most serious of these consequences by increasing the number of FTEs, as shown below,[1] in the Office of Public Assistance and the offices of the General Counsel, Managing Director, and Secretary over the levels shown in the FY 1994 Budget Estimates. The results for these offices are staffing figures identical to those in the Chairman's proposal. The increases in the number of FTEs over the levels in the FY 1994 Budget Estimates are:

9 in the Office of Public Assistance for a **total of 12**

to permit continuation of the office at current staffing levels. With the exception of the rail public counsel function, the centralized public information service provided by OPA is not statutorily mandated. I prefer that it be retained at some level, nonetheless, because OPA's ability to perform this service outside the strictures of the ex parte rules improves the Commission's ability to serve the public, particularly with respect to the undercharge crisis.

3 in the Office of General Counsel for a **total of 20**

to permit the staffing level recommended by the General Counsel in light of continuing undercharge litigation, and a predicted increase in rail finance litigation as the economy improves.

1 in the Office of the Managing Director for a **total of 61**

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[1] Except as otherwise indicated, these additions are based on a comparison of the two draft budget narratives considered at the July 21, 1992 voting conference on the FY 1994 Budget. One narrative justified the Office Directors' assessment of the number of FTEs needed to perform only the Commission's mandatory, statutory duties. The other justified the recommended number of FTEs needed to perform both those duties and other discretionary ones.

to increase the number of accounting personnel in the Budget and Fiscal Office (providing a total of 18 FTEs in that office) to permit consolidation of all collection functions and fulfillment of the Commission's commitment to eliminate the collection problems identified by the Inspector General.

23 in the Office of the Secretary for a **total of 93** This includes:

3 to permit continuation of the Library, reference services and Practitioners Examination;

20 to permit transfer of motor carrier licensing functions from the Office of Proceedings (as in the Managing Director's 1994 passback recommendations).

For the Office of Proceedings, the Office of Compliance and Consumer Assistance, and the Office of Economics my proposal results in some additions to the FTEs provided in the FY 1994 Budget Estimates, but results in total staffing figures lower than those in the Chairman's proposal. The specific additions are:

2 in the Office of Proceedings for a total of **67** (4 fewer than the Chairman's proposal).

to ensure the continued ability of the office to complete cases in a timely manner.

This staffing level also incorporates a reduction of 20 FTEs from the 85 FTEs provided in the FY 1994 Budget Estimates to reflect the transfer of the motor carrier licensing function to the Office of the Secretary.

7 in the Office of Compliance and Consumer Assistance for a **total of 175** (5 fewer than the Chairman's Proposal)

to permit response to all complaints. The draft budget narrative for FY 1994 indicated that staffing at the 168 FTEs adopted in the Budget Estimates (rather than the 186 FTEs recommended by OCCA's Director and the Managing Director) would limit direct OCCA response to emergency complaints and Congressional inquiries. My goal in proposing 175 FTEs is to provide additional staffing for complaint response. This level, which is only 5 fewer than the number recommended by both the Managing Director and OCCA's Director, should permit such response, while still permitting some budgetary trimming.

2 in the Office of Economics for a **total of 63** (8 fewer than the Chairman's proposal)

to ensure continuation of adequate staffing for various functions

Finally, my proposal would staff the Office of Tariffs with a **total of 59** (the level provided in the FY 1994 Budget Estimates), which is 3 fewer than the number in the Chairman's proposal.

To permit comparison, the totals detailed above are shown in the following chart. It permits comparison of my staffing proposals with the staffing levels included in the FY 1994 Budget Estimates and in the Chairman's proposal.

COMPARISON OF STAFFING PLANS

Office	FY 1994 Budget Estimates	Chairman's Proposal	Phillips' Proposal
Commissioners' Offices and Satellite Office	46	45	45
Secretary	70	93	93
General Counsel	17	20	20
Proceedings	85	71	67
Hearings	5	5	5
OPA	3	12	12
Economics	61	71	63
Tariffs	59	62	59
OCCA	168	180	175
Managing Director	60	61	61
TOTAL	574	620	600

COMMISSIONER PHILBIN, commenting:

Last summer, a majority of the Commission determined that 574 FTE's was the appropriate number of personnel for the Commission to perform its statutorily mandated functions. This number was the product of the Managing Director's analysis of the Commission's Bureaus and Offices and their workloads in an attempt to identify opportunities to maximize resource utilization through reorganization/ consolidation or elimination of discretionary functions. I believe the Managing Director's methodology was sound, the analysis fairly conducted and the conclusion valid. Nothing has changed since that time to alter my opinion despite a change in Administrations and a direction (devoid of analysis) from OMB to submit a budget requesting 620 FTE's for FY 94. I believe that this agency can and should, in light of fiscal reality and the new Administration's clarion calls for austerity and sacrifice, maintain its request for a staffing level of 574 FTE's for FY-94.

Specifically, I do not share the Vice Chairman's apocalyptic view that the

> ...ICC has long since passed the point at which further staff reductions can only be accomplished by a failure to perform our remaining core responsibilities.

Nor do I share his view that these alleged "failures" in the past has given rise to the "undercharge" crisis now being dealt with by the Commission and the Courts. The evidence shows that the "undercharge" problem had its genesis in the fierce competition in the interstate motor carrier industry created by the Motor Carrier Act of 1980 which created an explosive growth in the number of competing motor carriers, some of whom adjusted to the new competitive environment by ignoring the statutory requirements to file tariffs with the Commission. The Commission historically has relied on voluntary compliance with statutory requirements, and it defies rationality to believe that any conceivable number of Commission enforcement personnel could force every one of the approximately 48,000 interstate trucking entities to file the legally required tariffs if some of them opt not to do so.

During my tenure on the Commission, the agency has fulfilled its statutory obligations and performed non-statutory discretionary functions in an exemplary fashion with the staffing levels provided by the Congress. As I have stated in past Congressional testimony, the viewpoint that the agency staff should not be reduced further, regardless of current workload, because it has been reduced over the last decade from over 2000 FTE's to its present level, totally ignores the fact that in 1980 Congress enacted the Staggers Act and the Motor Carrier Act which partially but significantly deregulated interstate railroads and motor carriers. The staff reductions since that time were in direct response to reduced workloads attributable to those enactments.

However, even though I continue to believe that the ICC should be staffed with 574 FTE's, I hereby vote in favor of the

Chairman's proposed staffing of 620 FTE's, but not for the reasons stated on the proposed budget.

Having just completed serving three years as Chairman, my experience has forced me to conclude that 49 U.S.C. §10301, the statute which defines the general organization of the Commission, contains a critical flaw in that it states that "the Chairman is responsible for administering the Commission" yet restricts the authority of the Chairman by requiring the approval of the Commission both for appointment of the heads of major administrative units and the submission of requests for appropriations to the President and Congress. Since my service as Chairman has ended, my conclusion that the statute should be amended to strengthen the authority of the Chairman by eliminating these restrictions on the Chairman's authority to manage the Commission efficiently is not dictated by any self-interest or political philosophy. It is dictated by a sincere desire to make the Commission more rationally manageable by future Chairmen of whatever political persuasion.

On March 13, 1950 President Truman submitted 13 reorganization plans to the Congress, 7 of which dealt with regulatory agencies. After reviewing pertinent recommendations of the Hoover Commission of 1949, President Truman stated:

> The Commissions, concerned primarily with the substantive problems of regulation and with the adjudication of cases, cannot give adequate attention to the day-to-day executive direction of complex organizations. To the extent they have concerned themselves with administrative problems, the unwieldiness of the structure has sometimes

> rendered administration slow, cumbersome and indecisive.

The Hoover Commission emphasized that: "Administration by a plural executive is universally regarded as inefficient." It then recommended that all administrative responsibility be vested in the Chairmen of the regulatory agencies. Every credible treatise on modern management reiterates that truism.

Absolute authority and personal responsibility for purely internal administrative functions should be vested in a Chairman designated by the incumbent President while maintaining the current statutory safeguards to ensure that the full Commission retains full control over regulatory policy and the direction of regulatory programs mandated by current statutes.

In a report by the GAO dated February 1992 to Senator William V. Roth, Jr., five of sixteen Commissions were identified as having Chairmen vested with the broad authority I propose for the ICC. Among those were the Federal Maritime Commission of which I was Acting Chairman and consequently can authoritatively testify that the FMC functioned much more smoothly, efficiently and with less acrimony than has been true of the ICC during my tenure as Chairman.

Those who fear that a Chairman vested with broad authority to administer and manage the internal, non-regulatory affairs of the agency can in some way force the agency to take a substantive, regulatory direction contrary to the wishes of a majority of Commissioners overlook or intentionally ignore systemic legal and practical limitations on a Chairman's ability to turn the Commission into a personal play thing, including the

(1) restrictions of the civil service rules;

(2) the substantive regulatory statutes;

(3) Congressional oversight authority of the Commission;

(4) Congressional authorization and appropriation authority over budgets; and

(5) the President's legal authority to remove a Chairman, whose performance raises Presidential, Congressional and/or industry concerns, by the stroke of a pen.

It is time for the Congress to modernize the administration of this Commission, by placing all authority for internal administrative matters in the hands of the Chairman and thereby also place all personal responsibility for the exercise of that authority, for good or ill, squarely on the shoulders of the Chairman. Until that happens, if ever, it is my intent to vote with the incumbent Chairman on purely administrative matters, whether I agree or disagree with the Chairman's opinion on those matters, unless to do so would result in a manifest injustice of some kind.

Therefore, although I continue to believe that the ICC should be staffed with 574 FTE's in FY 94, I hereby vote in favor of the Chairman's proposed staffing of 620 FTE's.

COMMISSIONER WALDEN, commenting:

I do not favor the OMB Fiscal Year (FY) 1994 passback of 620 fulltime equivalents (FTEs) because it does not achieve real savings at a time when all agencies are understandably expected to reduce their budget, in however small a portion, to contribute to a meaningful reduction in Federal spending. The OMB passback amounts to a 2.5% cut only of the authorized FY 1993 level of 636 FTEs and not a cut from the actual current FTE level. **In fact, the OMB passback figure would actually authorize an increase in hiring of fulltime permanent employees in order to meet the 620 figure** (see the attached chart).[1] As explained below, I also believe that further modest reductions in staffing may be achieved without injury to the functions, both statutory and discretionary,[2] that the Commission currently performs.

However, because the presentation of the Commission's budget to Congress is primarily the Chairman's responsibility, see 49

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[1] While the Commission's "2/20/93 Onboard Strength" figure is 628 positions, this does not directly correspond to a level of fulltime equivalents. The 628 figure includes "special appointments" and "co-op appointments," as well as permanent fulltime employees. As of February 20, 1993, there were 19 special appointments and 11 co-op appointments. Most of these appointments are on a part-time basis and roughly translate into 15 FTEs. Adding these to the current on-board permanent fulltime employee level of 599 gives a total current on-board FTE figure of approximately 614. Thus, the OMB passback of 620 FTEs would actually allow an increase of 6 permanent fulltime employees.

[2] The 574 FTE figure contained in the Commission's FY 1994 Budget Estimates submitted to OMB in September 1992, and recommended by Commissioner Philbin in his separate expression, assumes the consolidation and elimination of some discretionary functions. My recommended figure of 589 FTEs would not require the elimination of any discretionary function.

U.S.C. 10301 and 49 CFR 1011.4, I endorse the Chairman's proposal which adopts the Managing Director's FY 1994 Passback Recommendations. At the same time, my individual views are set forth in this separate expression.

I agree with nearly all of Commissioner Phillips' recommended changes to the OMB passback which she identifies in her separate expression. In particular, I find her recommended FTE level of 600 better meets today's budget-trimming desires shared by both branches of the Federal Government than the current OMB passback level, and it also approximates a 2.5% cut from our current on-board FTE figure. In my view, further reductions are appropriate.

I believe the FTE level of 45 for Commissioners and the satellite offices should be reduced to 39. If overall Commission staffing is to be reduced, and a clear majority of the Commission believes it should be reduced, Commissioners should lead the way. The savings of 6 FTEs would be achieved by reducing the Chairman's allotment from 7 to 6, each Commissioner's allotment from 6 to 5, and combining the offices of External Affairs and Legislative Affairs under a common supervisor.

I also believe that the Offices of Secretary, Public Assistance and Managing Director can each afford a modest reduction of 3 FTE's from the OMB passback (Secretary, 93 to 90; Managing Director, 61 to 58; and Public Assistance, 12 to 9).

With respect to staffing level for the Office of Proceedings, I agree with the OMB passback of 71 FTEs rather than

Commissioner Phillips' figure of 67. The Commission should ensure that the Office of Proceedings is provided sufficient resources to conclude significant regulatory reform initiatives that are currently underway, without unreasonably delaying pending adjudications. I expect that these regulatory initiatives will, in various ways, reduce workload burdens on the Commission, as well as achieve further freedom and efficiencies among entities subject to the Commission's jurisdiction. It has been my experience in the Federal Government that in the area of regulatory reform, just a few dedicated employees can accomplish a great deal of savings for the Government as well as regulated industries.

As I gather experience as a Commissioner, I expect to discover other areas in which reductions or adjustments in staffing are appropriate, and I will raise them with the Chairman at that time. Therefore, my personal preference for a figure of 589 FTEs should not be considered a floor for FY 1994 or for further fiscal years. Where the Commission discovers staffing efficiencies, it should realize them at the earliest time practicable. I also believe that if Congress were to remove one or more statutory functions from the Commission's charter, such as the tariff filing requirement for motor carriers, further and perhaps significant staffing reductions could be achieved. More immediately, if Congress were promptly to pass legislation resolving the undercharge crisis, a significant amount of staff resources currently required to handle the hundreds of undercharge cases presenting myriad issues could be freed to be spent in other deserving areas.

FY 1994 STAFF-YEAR REQUEST PRESENTATION

COMMISSIONER WALDEN

OFFICE	2/20/93 ONBOARD STRENGTH REPORT	FY 1993 AUTHORIZED	FY 1994 BUDGET ESTIMATES	FY 1994 MD'S PASSBACK RECOMMENDATIONS	FY 1994 PHILLIPS' PROPOSAL	FY 1994 WALDEN PROPOSAL
COMMISSIONERS	39	45	46	45	45	39
McDonald	7	6.6	7	7	7	6
Simmons	6	6	6	6	6	5
Philbin	5	6.4	6	6	6	5
Phillips	5	6	6	6	6	5
Walden	3	6	6	6	6	5
Cong. Affairs	3	4	4	4	4	3
External Affairs	3	3	4	3	3	3
Human Relations	3	3	3	3	3	3
Insp. General	4	4	4	4	4	4
SECRETARY	76	76	70	93	93	90
GC	21	21	17	20	20	20
PROCEEDINGS	91	94	85	71	67	71
HEARINGS	5	5	5	5	5	5
OPA	13	12	3	12	12	9
ECONOMICS	70	73	61	71	63	63
TRAFFIC	57	64	59	62	59	59
OCCA	195	185	168	180	175	175
MANAGING DIR.	61	61	60	61	61	58
Front Office	3	3	3	4	3	3
Budget	18	18	17	17	18	17
Personnel	12	12	12	12	12	11
Admn. Svcs	17	17	17	17	17	16
Systems	11	11	11	11	11	11
TOTAL	628	636	574	620	600	589

OPENING STATEMENT OF GAIL C. MCDONALD
CHAIRMAN, INTERSTATE COMMERCE COMMISSION
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES
HOUSE COMMITTEE ON APPROPRIATIONS

Fiscal Year 1994 Budget Request

March 31, 1993

Mr. Chairman, Members of the Subcommittee:

Thank you for inviting me here today to testify in support of the Interstate Commerce Commission's appropriation request for FY 1994. I will review the Commission's request with you and compare the request with the Commission's FY 1993 appropriation. Before I move to our request, I would like to summarize the Commission's responses to last year's Committee Report.

First, the full House Committee on Appropriations recommended that the Commission begin a more aggressive implementation of electronic tariff filing, and the Conference Committee did not modify that recommendation. Our FY 1994 budget submission to the Office of Management and Budget (OMB) included a $5 million request to begin the process of moving toward electronic tariff filing. That request was eliminated in the OMB passback. At a voting conference last week, the Commission voted to reopen an advance notice of proposed rulemaking seeking comments on possible approaches to electronic tariff filing, as well as the desirability and need for regulatory reform in the tariff area. This is a complex issue and we are hopeful that the comments will provide us with viable options.

Second, your Committee disagreed with the Commission's decision to raise the reporting threshold criteria for class I railroads, and your Report directed the Commission to continue collecting data from those railroads that qualified as class I railroads under the previous criteria. The conferees did not adopt this language. Consequently, the Commission continues to follow the reporting requirements established by the new class I threshold.

Third, you directed that for FY 1993 certain categories of expenses be held to their FY 1992 levels, and the conferees did not modify your language. Although we are requesting for FY 1994 increases in certain categories that you highlighted, our overall request for those categories, excluding the one-time $1 million request for optical scanning equipment for the Office of Tariffs, is $123,000 less than the FY 1993 spending limit.

Finally, the Conference Committee expressed concern about competition in the intercity bus industry and strongly urged the Commission and all intercity bus companies to work together to assure continued access to affordable bus service. The Commission staff has recently undertaken a major study of the nation's intercity bus industry[1]—the Commission's most comprehensive examination of the industry since 1988, when it approved the purchase by a Greyhound affiliate of the operating assets of Trailways Lines, Inc.[2] The bus industry has experienced significant changes since then, and concern over the state of the industry has been raised in several quarters. A key focus of our study is the availability and adequacy of service. As the study will be interdisciplinary, it will require the active participation of several of the agency's offices. For example, as part of the study's information gathering process, staff from both the Office of Compliance and Consumer Assistance (OCCA) and the Office of Economics will conduct site visits and field work at various locations around the country. The study will be completed this summer.

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[1] The study has been docketed under Ex Parte No. MC-95 (Sub-No. 8), Adequacy of Intercity Motor Common Carrier Passenger Service, notice served March 5, 1993.

For FY 1994, the Commission is requesting an appropriation of $45.466 million and 620 full-time equivalents.[3] As you know, the Commission unanimously approved the request, though four Commissioners have submitted separate expressions that specify the staffing levels they endorse as more appropriate than the 620 requested.

Our requested budget complies with the President's 2.5 percent reduction in Federal positions in FY 1994 from authorized FY 1993 levels. We are also complying with the President's directive to achieve in this fiscal year a one percent reduction from the authorized FY 1993 levels. Our requested budget also reflects the 3.0 percent reduction in administrative expenses from FY 1993.

Our total staff year request for FY 1994 is 16 staff-years fewer than the FY 1993 authorized level, while our $45.466 million request reflects an increase of $1.536 million from FY 1993.

The major portion of the dollar increase in the budget request addresses the Commission's need to redesign our information systems. The necessary tasks include: development of software code and of data file and database structures; selection of appropriate supportive hardware; and acquisition of optical imaging equipment for the Office of Tariffs. To this end, the Commission is engaged in a long-term planning effort with the Department of Transportation's Volpe National Transportation Systems Center.

The dollar increase in our budget request also reflects increased costs in six areas. Two of these areas, namely personnel costs and office space rentals, will be somewhat offset by the proposed reduction in staffing. We foresee increased personnel costs due to in-grade salary increases and increased costs for health benefits. For office rentals, we expect a projected 5.8 percent increase in rates charged by the General Services Administration and adjustments in the rentals of field office space. The other four areas in which costs are expected to increase are: (1) communications and utilities, where we foresee inflationary increases in copier rental charges and higher local telephone service fees; (2) other services, including employee training and provision of the employee health room; (3) furniture and equipment, due partly to the purchase of modular systems furniture for the Fort Worth regional office; and (4) personnel benefits, travel, and transportation of things, stemming from OCCA's request for change-of-duty funds needed to realign the regional workforce in light of the eligibility for retirement of many senior staff members.

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[2] GLI Acquisition Company--Purchase--Trailways Lines, Inc., et al., 4 I.C.C.2d 591 (1988), affirmed by unprinted decision (No. MC-F-18505) served October 6, 1988, *aff'd sub nom.*, Peter Pan Bus Lines, Inc., et al. v. Interstate Commerce Commission, Nos. 88-1566 and 88-1567 (D.C. Cir. May 8, 1989) (per curiam).

[3] In FY 1992, Congress provided that user fees collected pursuant to 31 U.S.C. 9701 would be made available to the Commission to offset its total budget request. The Commission's FY 1994 budget request assumes the continuation of this offset provision and estimates non-Federal user fee collections of $7.3 million. Absent the user-fee offset, the Commission's budget request is $52.766 million.

Although the Commission believes it can perform its responsibilities with an FTE level of 620, our overall workload is increasing. A more thorough, office-by-office, review of our workload is contained in our budget submission, as is a summary of Commission activities for FY 1992, but I'd like to highlight several of our most active areas for you.

The most critical involves the area of motor carrier rates, specifically, undercharges. In 1990, the Supreme Court invalidated the Commission's negotiated rates policy in Maislin Indus., U.S. v. Primary Steel, Inc., 497 U.S. 116 (1990). The impact of this decision on the Commission's workload was felt most dramatically in three offices: the Office of Proceedings, the Office of Tariffs, and the Office of General Counsel. Our staff estimates that there are approximately 370,000 pending undercharge cases in the courts that could be referred to the Commission.

In the Office of Proceedings, the number of undercharge cases has increased markedly, much more than the raw staff year numbers for FY 1992 and FY 1993 would suggest. To date, there are over 250 undercharge cases which have been referred to or filed with the Commission. We expect a steady influx of cases in FY 1993 and FY 1994 at levels substantially higher than in prior years.

In the Office of Tariffs, the number of tariff filings is expected to continue to increase as a result of the Maislin decision's affirmation of the filed rate doctrine. The FY 1993 authorized staff-year increase of nine FTEs is intended to provide for more adequate review, maintenance, and examination of tariffs.[4] The goal is to improve the review of newly filed tariffs prior to their effective dates in order to decrease the number of unlawful tariffs that are actually accepted for filing. The Office of Tariffs also provides support to the Office of Proceedings by providing tariff analysis in rates cases.

In the Office of General Counsel, undercharge litigation escalated significantly during FY 1992 and FY 1993 to date. In the wake of the Maislin decision, the undercharge crisis mushroomed, as the trustees and agents of insolvent carriers, looking for ways to maximize the potential assets of their estates, began not only to rebill shippers who had paid rates not contained in a tariff filing but also to rebill shippers who had paid a filed tariff rate. Carrier estates are now rebilling shippers by relying on a multitude of theories for substituting a higher tariff rate than the one that was paid, including disavowal of the legality of their own rate filings or their own contracts executed under an ICC contract carriage permit. Moreover, their collection agents have sought to coerce shippers into settling and paying highly dubious undercharge claims rather than face litigation expenses.

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[4] The Office of Tariffs processed, reviewed, and filed a total of 1.5 million tariffs and related documents in FY 1992 as compared to 1.36 million tariffs in FY 1991.

The Commission attacked the problem of egregious collection practices in several ways, each of which led to substantial litigation. For example, the Office of the General Counsel, together with OCCA, sought court injunctions in certain cases to prevent trustees of bankrupt carriers from asserting certain categories of impermissible claims. The litigation in one of those cases has culminated in the government seeking Supreme Court review. The Commission also initiated its own show-cause proceeding to stop trustees of bankrupt carriers from asserting impermissible claims, and the Office of General Counsel has been defending that action in court, with the assistance of the Department of Justice. In addition, the Office of General Counsel, supported by the Justice Department, has intervened in selected undercharge cases throughout the country in an attempt to protect the Commission's role in resolving the underlying regulatory issues under the doctrine of primary jurisdiction, and protect the shipping public from having to pay undercharge claims before the validity of those claims is resolved. Finally, the Office of General Counsel has participated in many court cases to defend other Commission decisions that addressed and resolved undercharge issues.

The scope and magnitude of the undercharge crisis can be expeditiously resolved only through Congressional action. The Commission has supported efforts to resolve the problem through legislation. Prompt enactment of such legislation would significantly reduce the amount of staff resources currently devoted by the Office of General Counsel, Tariffs, and Proceedings to resolve these cases. These staff resources could then be reduced or freed to work in other deserving areas.

Thank you for the opportunity to appear before you. I would be pleased to respond to your questions at this time.

SUNSET PROPOSALS

Mr. **Carr**. Thank you very much.

Previous administrations have proposed eliminating the Interstate Commerce Commission. Do you know whether the Clinton Administration has any plans beyond fiscal year 1994 to dismantle the ICC?

Ms. **McDonald**. I do not. Of course, when we were treated regularly to sunset in the OMB passback, we felt that was a wonderful signal for regularity in terms of the agency's treatment.

Mr. **Carr**. Have you had any conversations with the White House about the future of the agency?

Ms. **McDonald**. No. I have discussed it with Secretary Pena and hope to have subsequent meetings with him.

Mr. **Carr**. Are you at liberty to tell us anything about those conversations?

Ms. **McDonald**. They were just basic background conversations. As you know from my testimony last year, Vice Chairman Simmons and I are proponents of continuing the ICC and present our case whenever we can.

Mr. **Carr**. Do you have any plans to submit legislation to Congress to alter your authority in any way?

Ms. **McDonald**. No, we do not have any plans at this time.

OMB BUDGET VS. CONGRESSIONAL BUDGET

Mr. **Carr**. We have an unusual situation this year where the President's fiscal year 1994 budget request for ICC includes a request for 620 FTE employees. This is a staffing level higher than the 574 FTEs requested by the Commission in your submission to OMB, but lower than your fiscal year 1993 authorized level of 636 FTEs.

Please provide the details about your OMB submission, and this morning I would like to get a response from you on the record as to whether the Commission would be able to effectively carry out all its responsibilities with 574 FTEs?

Ms. **McDonald**. Mr. Chairman, I don't believe we would. That number was sent in by my predecessor and advocated by him in the past Administration. Vice Chairman Simmons and I are both on the record as opposing it, and we feel strongly that it is inadequate to meet our duties.

Mr. **Carr**. As I said, I would like a detailed response in the record, but could you give us a general response right now as to what the difference is between 574 FTEs and 620 FTEs in terms of the performance of the agency?

Ms. **McDonald**. It has some general cutbacks in the large offices, but it almost entirely wipes out our Office of Public Assistance function, which is currently at 12 staff-years. It moves it back to 3 staff-years. That Office handles a huge number of the calls that we get from small business people from States and municipalities about our regulations. In this undercharge crisis, it is that Office which helps shippers deal with collection letters they may have received and helps them determine what a prudent course of action is.

They get over 25,000 calls a year. They are well trained to advise those people, not just to give them public information but to assist them legally. In my view, they just cannot operate with 3 staff-years. It is just nothing. I think we owe the public that kind of support.

That would be my general feeling about the cuts.

Vice Chairman Simmons, would you like to highlight any other cuts that were in there?

Mr. SIMMONS. I think that the Congress itself is more interested in the ICC fulfilling its responsibilities as it relates to our field organization that is reaching out to the people that actually need us and possibly can't come to Washington. Our Office of Public Assistance handles some 25,000 calls itself from people in the outlying areas.

To fully fulfill our responsibilities as they relate to some railroad mergers that we might have, we certainly need our Office of Economics and the field organization in order for our analysis to be accurate. I expect that we will probably during this Fiscal Year and next Fiscal Year have to deal with some possible mergers and acquisitions.

Ms. McDONALD. The field staff also enforces our laws. As we cut that field staff back, they just can't take on as many actions. As managers, we know that is true. It just becomes harder to respond to complaints and tips we get from the public about unlawful carriers.

STAFFING LEVELS

Mr. CARR. Vice Chairman Simmons, you apparently believe that 649 FTEs is the minimum staffing level. What is the basis for your position?

Mr. SIMMONS. I am consistent with what I recommended last year. I didn't even think the 649—I happen to have been here when the workforce was 1,600 in 1982. In 1980, there were 2,000 people. I would like for the public and for the Congress itself to have confidence in what we do. We have lost some very, very good people that have gone to the Federal Energy Regulatory Commission and to industry. I feel this year as I did last year that we need at least what I asked for, but I am grateful for whatever you give me, sir.

[Laughter.]

Mr. CARR. Commissioner Walden, I understand that you voted in favor of the 620 FTE staffing level, but that you actually support a 589 FTE staffing level. What is the basis for your position?

Mr. WALDEN. First, I endorse the Clinton Administration's desire to cut Federal spending and Federal positions across-the-board, but I think it is more realistic to take that cut from on-board staffing rather than authorized levels. If we were to do that 2.5 percent cut from on-board staffing, it would bring the Commission down to around 600 FTEs.

I believe there are further modest reductions that can be made in a number of offices without doing damage to any statutory or discretionary function the Commission performs. There are efficiencies the Commission has realized over the years that have enabled the Commission with far fewer people to continue to do its job and do its job well. But I don't believe we have finished the job of discovering efficiencies.

There are a number of rulemaking packages. These rulemaking initiatives not only save the industry a great deal of money, but also save Commission resources. If we were to continue to explore those initiatives, we might realize further savings in our workforce.

There is still some duplication going on in the agency, although not as much as before. Eliminating that duplication would allow for further reductions, albeit fairly modest ones. We are not talking about large numbers here, between 600 and 589.

My separate expression discusses a decrease of one FTE in the chairman's office and each commissioner's office that I believe we can and should undertake as an example to the rest of the agency. If you see the chart that is attached to my separate expression and compare the numbers of authorized FTEs in fiscal year 1993, the recommendation of the Commission, and then my numbers, you will see that those changes are not significant. They are just a couple here and a couple there, but it does add to real savings and would allow the Commission to do its part in reducing the overall level of Federal positions and Federal spending.

STAFFING REDUCTIONS

Mr. CARR. Chairman McDonald, your testimony said that you were complying with the 1-percent reduction in Federal positions in fiscal year 1993 and a 2.5-percent reduction by fiscal year 1994. The President has, however, requested 4 percent by fiscal year 1995. Do I take it from your submission that you would be reaching the 4 percent by fiscal year 1995?

Ms. McDONALD. Yes, sir, certainly.

Mr. CARR. So you are taking your largest reductions early?

Ms. McDONALD. Yes.

Mr. CARR. Given that your staffing level proposal is 16 FTEs lower than the fiscal year 1993 level, and given the fact that you have reduced staffing by 70 percent or more since 1979, did you give any consideration to appealing the proposed staff reductions with OMB?

Ms. McDONALD. We did, of course, but we were persuaded by the Government-wide effort to reduce and want to do our part in that.

In truth, our previous managing director had thought the cuts would be greater, so we were at a lower level of staffing than perhaps we should have been. So the first year, it is not so hard. But we are undergoing a thorough study of our staff, getting input from our staff on where we can make further efficiencies and where we can improve our performance. We should have that in time to take these additional cuts.

Mr. CARR. Mr. DeLay, do you have any questions before proceeding onto another subject?

Mr. DELAY. Yes, Mr. Chairman.

Welcome to the committee.

Ms. McDONALD. Thank you.

STAFFING REQUESTS

Mr. DeLay. I think it is well known among the transportation industry that I am a great supporter of the efforts to abolish this agency through the budgetary sunset process of some sort.

I also am very intrigued by Commissioner Walden's staffing request of 589, but Chairman McDonald, in your staff-year total of 628 that you propose, are there part-time employees and/or students that are counted in your total of 628?

Ms. McDonald. Let me refer this to the managing director. I think we do not count the cooperative students in our FTEs.

Mr. Mooers. That is correct. We do have some part-time people, but approximately seven or eight co-op students are ceiling exempt.

Mr. DeLay. How do you count your part-time employees?

Mr. Mooers. They are counted against the FTE, so if two part-time people are working 20 hours a week, it would equal one FTE.

Mr. DeLay. I am trying to figure out this 2.5-percent cut. Do you now have 614 FTEs?

Mr. Mooers. No, we had 636 authorized staff-years from which we took the initial cut to bring us down to 630, taking a 1-percent cut for fiscal year 1993, then a cumulative 2.5-percent cut to reach the 620 for fiscal year 1994.

Mr. DeLay. There are 614 authorized, I believe. Is that correct?

Ms. McDonald. No, sir, that is 636.

ON-BOARD EMPLOYMENT

Mr. DeLay. How many are actually working at ICC?

Mr. Mooers. We had 630 as of March 20th.

Mr. DeLay. Where did I get the 614?

Ms. McDonald. Just as I mentioned to the Chairman, Mr. DeLay, our previous Managing Director felt there would be a larger percentage cut this year and did not hire up to our authorized limit.

Mr. DeLay. But where did I get the 614?

Ms. McDonald. That may have been a previous month's tally that someone had shared with you.

Mr. Walden. That may have been in my separate expression, Mr. DeLay.

At the time the Commission was asked to vote on the budget, I looked at the current on-board strength of the ICC and tried to convert the part-time employees into FTEs and added those FTEs to the full-time permanent employees, and I believe came up with a figure of 614. I may be off by a few, but it was fewer than 636 and fewer than 620.

My point was that we ought to consider the across-the-board staffing cut from our on-board staffing, which is currently below the 636. Going with a level of 620 FTEs does not achieve a cut because it allows the Commission to increase its hiring. The Commission has hired some full-time and some part-time employees since my first initial expression so that the on-board staffing in the Commission is higher than it was a month or two ago. But I believe it is still not at 620 at this point. I may be incorrect on that point.

Ms. McDonald. No, our on-board strength is higher than that. But Commissioner Walden, you are thinking that if we average how long people have been working here during the year, that is how you would get an FTE. I don't know what that exact number would be, but I can certainly try to determine it for you for the record, Mr. DeLay.

Mr. DeLay. I would like to know what the on-board figure is.

How many people have you hired in the last couple of months?

Mr. Mooers. We have moved from 603 full-time permanent positions in October, and we are still right now at approximately 600. We have stayed fairly stable. We are, however, endeavoring to fill positions in three offices where their FTE usage had fallen below what was authorized for the year. As the chairman explained, our previous managing director had anticipated an across-the-board cut and was holding back on our recruiting efforts to fill critical vacancies to meet that.

When Chairman McDonald became chairman and asked me to take over the managing director responsibilities, we reviewed that and felt that we should move forward in those offices to the levels that——

Mr. DeLay. What are those three offices?

Mr. Mooers. The Office of Proceedings, the Office of Tariffs, and the Office of Economics.

We are recruiting in those three offices at the present time.

Mr. DeLay. I guess that is where I am getting confused. If in October you had 603 and you say you have 600 now?

Mr. Mooers. Full-time permanent, yes.

Mr. DeLay. If they are full-time permanent, do you count those as FTEs?

Mr. Mooers. Yes, one for one.

Mr. DeLay. And if you are requesting 620, I don't see a 2.5-percent cut.

Ms. McDonald. I think we see here a different philosophy about the agency. I feel that you authorized us 636 slots last year. Vice Chairman Simmons and I urged you to do that and tried to provide supporting evidence on the need, particularly in the field and in the area of tariffs to enforce our statutory mandate. I felt when I became Chairman that I should fill those slots and follow through to the fullest extent that you were allowing me.

That is why I started hiring. You have to back-fill, as you know, positions when people retire. You have to train people. We haven't done that at the ICC in a very long time. So we have started doing that. As long as I am Chairman, I will work hard to operate the agency at the level that you give us.

Mr. Mooers. I might add, sir, that while we were talking about 600 full-time permanent, we do have approximately 30 temporary and part-time employees that are counted against the ceiling.

Mr. DeLay. Is that 30 FTEs or 30 employees?

Mr. Mooers. Employees.

Mr. DeLay. How many FTEs?

Mr. Mooers. They would probably factor out to 14 to 16 or so.

[Clarification for the record: These 30 employees (11 cooperative education, 12 full-time temporary, and 7 part-time/intermittent employees) translate into 18 FTEs.]

Mr. DeLay. So we are back to 614.

[Laughter.]

STAFFING REDUCTIONS

Mr. DELAY. Just to comment, I am not sure this agency, like many other agencies, ever hire to their authorized levels. At least this Member is not interested in you just filling levels because you have them. I would rather work off of what kind of job you're doing and how many people it takes to do that job. That is where you start. If the President wants a 2.5-percent cut, then that is where you ought to start the cut.

Ms. MCDONALD. Mr. DeLay, I assure you that we have the work to keep all these people gainfully employed. It is just how well you do the work, how expeditiously you process your cases that is the question.

TARIFF FILING REQUIREMENTS

Mr. DELAY. There is some work that I am not sure isn't just make-work to make jobs, for instance, the tariff filing requirements.

Ms. MCDONALD. But that is in the law.

Mr. DELAY. I know.

Ms. MCDONALD. I didn't invent that requirement. The agency is enforcing the law.

Mr. DELAY. Are you saying, then, that the tariff filing requirement is an unnecessary requirement in the law?

Ms. MCDONALD. No, sir, I would not say that at all.

Mr. DELAY. What do you do with it, then?

Ms. MCDONALD. I enforce the law as Congress gives it to me.

Mr. DELAY. We are going in circles here—you are administering the law because of the tariff filing requirement in the law. How do you use that activity? What do you use it for? Do you just collect it and don't do anything with those tariffs?

Ms. MCDONALD. The Office of Tariffs files the tariffs. Because of the undercharge crisis, certainly we as a Commission are doing a great deal more and we have a number of cases pending—which I can't discuss with you—to look at that role more thoroughly because in light of the undercharge crisis certainly our management of tariffs has been called into question. It was included last year in Senate conference language.

But in the field, that is one of the routine things we check when we do surveys of carriers and various compliances such as their insurance compliance.

Mr. DELAY. I have no argument with insurance compliance and those kinds of compliances. I guess I am not criticizing you, I am criticizing the law.

From my point of view, an undercharge is a good deal in the marketplace. I never understood how the Government functions in protecting somebody against getting a good deal in the marketplace, but the law is like that. I guess I am saying that as we massage these FTEs, we also ought to be looking at what actually is coming out of our collecting these tariffs and all these cases of undercharges. Is there really a crisis that requires us to even have these offices? What impact do they have on the interstate motor carrier?

Is it a redundant process?

Mr. Walden, do you have any comments on that?

Mr. **Walden**. I think all Commissioners support legislation to resolve the undercharge crisis. If the Congress were to enact such legislation this year, that would alleviate the workload burdens on the Commission to a great extent in a number of offices. I would feel even more comfortable than I do now with the 589 FTE figure.

On the tariff filing requirement itself, the Commission—although we were split on this point at a voting conference last week—did vote to go forward and ask the public to comment on whether the tariff filing system still made sense in today's industry.

That request for comment comes in the electronic tariff filing proceeding. The public will be asked not simply what kind of electronic tariff filing system makes sense, and not simply whether, we should pursue electronic tariff filing, but also whether instead of spending a great deal of money and a great deal of time to put electronic tariff filing in place, whether, the Commission ought to propose to the Congress to eliminate the tariff filing requirement for motor carriers and save the industry and save the Commission a great deal of money and time.

ELECTRONIC TARIFF FILING

Mr. **DeLay**. When would we see the results of that?

Mr. **Walden**. I believe there is a 60-day comment period. It has not been served just yet, but it will be soon I believe.

Ms. **McDonald**. Right.

Mr. **DeLay**. When do you expect to serve it?

Ms. **McDonald**. It will be served in a few days and then there will be a 60-day public comment period.

Mr. **DeLay**. So by the beginning of June, or the end of June we ought to have those kinds of results?

Ms. **McDonald**. Sure.

Mr. **DeLay**. I am looking forward to seeing those results. That ought to be a very interesting process to watch as we go through our bill.

TARIFF FILING AND PREDATORY PRICING

Mr. **Simmons**. Mr. DeLay, I don't usually say anything unless I am asked a question, but I thought Congress in its wisdom when they decided that we needed tariff filing, I imagine that they were thinking about discrimination among truckers, particularly smaller truckers and smaller shippers, predatory pricing. The big guys can always handle their business very well without Government regulation and they can fight to the death until maybe two or three exist. But that is not the case with smaller truckers and owner-operators.

I would imagine that if we had been doing our job as we were supposed to do it at the Commission, you might not have had an undercharge case on any of them because the Office of Tariffs has been decimated by the reductions in previous years.

Mr. DeLay. I know that is why Congress did it. There is this red herring called predatory pricing.

Are you saying that the undercharging crisis is an example of predatory pricing?

Mr. Simmons. No, I didn't say that at all.

Actually, it is ironic that we do have undercharge cases because the people that didn't do what they were supposed to do are now the ones that are coming forward trying to get the money. The statute reads that the carrier will file his rate, and the shipper will see to it that it has been filed. I am afraid that many shippers did not see to it that it had been filed.

But as these truckers went belly-up, then all of a sudden some trustees and other people see that money sitting there and they feel as though that higher rate really prevailed, so they are going after it. They ought to be prosecuted for not having done what they were supposed to do, the very people that are now trying to get the money.

Mr. DeLay. I think it's predatory itself.

Mr. Walden. An observation is that even if we had twice as many people in the Office of Tariffs, the law is still there and it is the burden of the carrier to file the tariff. If carriers didn't file the tariff, with more Commission resources perhaps we could have taken enforcement action against a number of carriers, but there are thousands and thousands of carriers out there. My initial view is that shippers and carriers were negotiating deals and tariffs and for a number of reasons didn't file those rates. But the law was there. No amount of Commission resources would have changed that fact.

Mr. DeLay. I understand that. I just think that since 1980 we have seen that predatory pricing is not an issue.

Mr. Simmons. Well, nobody stepped forward to do it. That is actually to condemn one trucker stepping forward. And that is very hard to do.

Mr. DeLay. There are studies that show that predatory is not the problem that we thought it would be.

Thank you, Mr. Chairman.

Mr. Carr. The gentleman from North Carolina, Mr. Price?

INTERCITY BUS INDUSTRY STUDY

Mr. Price. Thank you, Mr. Chairman.

Chairman McDonald and the other Commissioners, welcome. We are glad to have you here.

I want to start by complimenting you on the study that you have begun with regard to the intercity bus industry. You might recall that I asked you last year about the situation facing independent bus carriers in light of the Greyhound/Trailways merger. I am pleased that we will now have a more detailed look at this industry and the kind of service that the full range of our communities are receiving.

I look forward to seeing this study and reviewing those findings with you.

ICC ORGANIZATION—PLURAL EXECUTIVE

Mr. PRICE. Let me turn to the comments of former Chairman Philbin where he is arguing in his comments to the budget justification that the general organization of the ICC has a critical flaw in that while it lodges responsibility for administering the Commission with the Chairman, it then restricts the ability of the Chairman to administer the agency by requiring the approval of the full Commission for the appointment of the heads of major administrative units and also for the submission of requests for appropriations to Congress and the President.

He calls for elimination of these restrictions and the end of a plural executive at the ICC.

Ms. McDonald, you have been on both sides of this. What do you think of Commissioner Philbin's suggestions?

Ms. McDONALD. My perspective changed as I changed positions.

[Laughter.]

Mr. PRICE. Much like we all change our mind about the seniority system.

[Laughter.]

Ms. McDONALD. As a Commissioner at an independent agency, I wanted very much to have as much information as I could about the administration of my agency. I wanted to be involved with it. Now as Chairman, I think it is very time-consuming to work with other people, particularly people that you don't know before you get into the position. But we all come with a desire to serve and we all take an oath. I think it is harder and it takes longer, but it certainly can be done. I don't know that I would seek a change or propose a stronger Chairman's role.

We are looking, as a result of a management recommendation we got from OPM, at strengthening the Managing Director's role perhaps for day-to-day running of the agency. We could strengthen the Managing Director and promote better communication among the divisions and a smoother running agency. Certainly all five of us will look at that.

But at this time, I would not propose the strengthening that he suggests in his comment, although I would love to have it.

[Laughter.]

Mr. PRICE. Do any of the other Commissioners have a comment on that?

Mr. SIMMONS. I do, sir.

I would like to see the commissions more independent, like they were before 1969 before the President—I guess it was Nixon in those days—actually gave OMB policy direction over the independent agencies. I don't think when Congress designed independent agencies they intended for them to get policy direction from the White House. That now comes down to the agency through the chairman.

About the only agency that I know is maybe the International Trade Commission where they have three Republicans and three Democrats and the chairmanship revolves. I don't know that as it revolves whether it gets direction from OMB or not.

Mr. PRICE. The implication of those comments is that the present decentralization of authority works to achieve a balance. You wouldn't change it. Is that right?

Mr. SIMMONS. I am going to always be in line with the Congress, sir. Whatever they do, I am certainly going to agree with it. I was just expressing a little bit of history and saying that a little bit of the independence of the independent agencies has been usurped.

Mr. PRICE. Mr. Walden.

Mr. WALDEN. I come at the question a little different philosophically.

The Commission is exercising executive power. I believe under the Constitution it ought to exercise that under the supervision of the President. Today's budget submission, which I endorsed, of 620 FTEs is a case in point because that is in response to the direction from the White House, specifically the Office of Management and Budget.

There is a measure of independence that the Commission has because of the limitation on the President's ability to remove commissioners and also for historic reasons. But on matters of Executive Branch policy, I think it makes sense for the President to set direction and for the Commission to be walking together with the Department of Transportation and the Federal Maritime Commission on common issues and not walking at cross purposes or at different speeds.

MANAGING DIRECTOR'S ROLE

Mr. PRICE. Chairman McDonald, you say that some review is underway within the agency concerning the role of the managing director.

Ms. McDONALD. Yes.

Mr. PRICE. So there may be some recommendations forthcoming about making internal operations more efficient through strengthening of that office?

Ms. McDONALD. Yes.

OFFICE OF PUBLIC ASSISTANCE

Mr. PRICE. Commissioner Walden, last year we spent a good deal of time discussing whether to eliminate the Office of Public Assistance or not. I think, in general, we came to the conclusion that this would not be a prudent cut, that it was important to have these people in place to respond to the thousands of inquiries from small businesses and others, particularly since a lot of these inquiries seem to be rather detailed and require fairly technical answers.

In your proposal, you suggest trimming that office back further from 12 to 9. What is your justification for this cut? What would you propose to eliminate from the functions of this office with your proposal?

Mr. WALDEN. First, that cut reflects in part a notion that all offices should share in the across-the-board cut in Federal positions. But further, there is some duplication now at the Commission in terms of responding to questions from the outside.

There are questions that come to the Office of Public Assistance where a person in that office asks people in other offices in the

Commission to prepare a response. I foresee a situation where persons in the Office of Public Assistance could be transferred to the substantive offices, and the calls could be made there so that instead of a two-step process we would have one step.

Additionally, the Commission has instituted an automated response phone system. Where that has been employed in industry and in Government it has saved time to people who are making the request. But it has also been able to achieve resource savings. I believe similar resource savings could be realized at the Commission, so that the reduction from 12 to 9 takes into account further elimination of duplication, full implementation of the automated response system, and a modest decrease to reflect the 2.5 percent across-the-board cut.

I do not propose to eliminate any particular function at the Office of Public Assistance at this time, but I intend to give the matter more thought. If I have further thoughts, I would communicate them to the chairman.

PUBLIC ASSISTANCE WORKLOAD

Mr. Price. Thank you.

A reduction from 12 to 9 is substantially more than 2.5 percent. That is a pretty big hit for an operation that is already small. I would think that, in any case, the question would be, What is the workload of this office? What is the function of this office? How well is it performing? And, how well could it perform under projected personnel levels.

Chairman McDonald, you must have had some reason for not accepting this recommendation. Why is that?

Ms. McDonald. It seems to me that the most important work that office does is that it helps parties, who wish to take part in Commission proceedings, submit their comments. By its separateness, it is able to advise parties and not get into ex parte problems that would occur if you called my office. I would say that I couldn't discuss that proceeding because it was before us, but you could call the Office of Public Assistance and submit comments in that proceeding and discuss it. That office can do that without abridging any of our rules.

They generally handle those types of substantive matters. As at any Federal agency, people call in and may call all kinds of places. People get referred around, but for substantive problems, this office handles it. I have always felt that they handled it very well.

I have reviewed their workload, as did our former chairman. I had to be impressed by the number of calls they take and the kind of assistance they give. They also go out to communities from time to time when requested and help communities submit data in abandonment proceedings or on other issues that involve community input.

OPA WORKLOAD DATA

Mr. Price. You did have a substantial workload, as I recall the discussion last year. It might be helpful at this point in the record if you could update those figures.

Ms. McDonald. I would be pleased to do that.

We have gotten a lot of calls on general information, but in no way has it decreased the workload that we have seen in the Office of Public Assistance.

Mr. PRICE. For the record, update the figures in reference to the Office of Public Assistance.

[The information follows:]

OFFICE OF PUBLIC ASSISTANCE WORKLOAD AND RESOURCES SUMMARY

	FY 1992 WORKLOAD	FY 1993 WORKLOAD	FY 1994 WORKLOAD
Assist participants in Commission proceedings	1,460	1,275	1,275
(Rail)	1,196	1,000	1,000
(Motor)	264	275	275
(Freight)	230	240	240
(Bus)	34	35	35
(HHG)	0	0	0
(Bkr/FF)	0	0	0
Counseling/individual public assistance	22,115	21,000	21,000
(Rail)	2,554	2,500	2,500
(Motor)	19,561	18,500	18,500
(Freight)	17,327	16,500	16,500
(Bus)	1,923	1,720	1,720
(HHG)	44	40	40
(Bkr/FF)	267	240	240
Educational/outreach projects	19	16	16
(Rail)	7	7	7
(Motor)	12	9	9
(Freight)	11	8	8
(Bus)	1	1	1
(HHG)	0	0	0
(Bkr/FF)	0	0	0
State/local liaison activities[1]	54	50	50
(Rail)	34	33	33
(Motor)	20	17	17
(Freight)	17	15	15
(Bus)	3	2	2
(HHG)	0	0	0
(Bkr/FF)	0	0	0

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[1] The recordkeeping method was amended in FY 1992 to reflect the number of projects versus the number of mailings involved in each project. Under the former method, in FY 1992 the total for rail would have been 3,500 and for motor 800.

Mr. PRICE. And your position is that those responsibilities would not be easily delegated to some other office within the Commission?

Ms. McDONALD. I feel that they could not be.

EMERGENCY PREPAREDNESS ACTIVITIES

Mr. PRICE. Finally, on page 102 of your budget justification, as one of your objectives for fiscal year 1994, you discuss your role in participating with other Federal agencies in emergency preparedness activities related to national defense and developing contingency transportation plans in the event of natural disasters.

While this has been on our minds a good deal lately, there has been a lot of criticism of the Federal response to some major disasters. That has, of course, primarily been directed at the emergency agency, FEMA.

From the ICC's perspective, is there something new here to report, or does this request just reflect your usual ongoing activity in the area? Could you help us understand exactly what piece of the action the ICC has or wishes to have?

Ms. McDONALD. Our trained field people work with FEMA when these emergencies occur. We sent our Director of the Philadelphia office down when Hurricane Andrew struck. These people have expertise and have worked with FEMA over the years. They assist in any way they can. I could get recommendations for you, and I would like to provide you our field man's report from that experience, because I think his observations would be interesting to you since you are concerned about that response mechanism.

Mr. PRICE. But this budget justification does not anticipate particularly new activities?

Ms. McDONALD. No. We have an ongoing relationship where we supply expertise just as if a grand jury asked for the expertise of the people in our Fort Worth office. Those people pitch in and give them whatever support they can. We have had an ongoing relationship with FEMA, and we pitch in during times of disaster and provide whatever expertise we have that they may request.

Mr. PRICE. I think it would be helpful to have further information about what this role has been and what kind of in-house assessment you have of that.

Ms. McDONALD. I will be happy to provide it.

[The information follows:]

INTERSTATE COMMERCE COMMISSION

Memorandum

TO : Bernard Gaillard, Director
OCCA, Room 4412

DATE: September 1, 1992

FROM : Richard M. Biter RMB
Regional Director, Eastern Region

SUBJECT: **UPDATE REPORT ON ICC CONTRIBUTION TO THE HURRICANE ANDREW FEDERAL DISASTER RELIEF EFFORTS**

The purpose of this memorandum is to give you an update on what we are doing to assist in the Hurricane Andrew federal disaster relief efforts from the Disaster Field Office (DFO) which is currently located in the former Eastern Terminal and Headquarters building at the Miami International Airport.

As you are aware Hurricane Andrew ripped through southern Florida in the early hours on Monday, August 24, 1992. The main path of destruction occurred in a 50 mile path just south of Miami which had the resulting effect of a 50 mile wide tornado. Over 85,000 homes were destroyed (and still counting), somewhere between 150,000 and 200,000 people were left homeless and although the death count was low (in the twenties) there is still a massive search and rescue operation underway.

I was activated under the Federal Emergency Management Agency's (FEMA) Emergency Response Plan (ERP) on Monday, August 25, 1992 and first went to FEMA's Regional Operating Center (ROC) in Atlanta and then to the Miami DFO after it was established on Tuesday, August 26, 1992. As the designated Group Leader for Surface Transportation I am responsible for coordinating and directing this support function which includes personnel from relevant sub-administrations from the Department of Transportation.

Since the daily FEMA situation reports I have been providing contain a brief status of the issues being addressed by the Transportation Group, I will not try to duplicate that information. Rather, I will attempt to keep you advised on some of the specifics which do not appear in the report.

The overall initial support effort was hampered because of a number of logistical problems which I will detail when the time comes to write up the post-event evaluations. For now however, suffice it to say that things began to happen (and in fast succession) when the 2nd Army came in to the picture on the afternoon of Wednesday, August 27, 1992.

It was at that time that DOT Secretary Andrew Card was on the scene and personally came in to speak with our group. He told us about his observations at the disaster site and we briefed him on what we were doing and about some of the challenges we were facing.

From late Wednesday through today the level of activity has not slackened. In fact, it seems to be escalating. Massive supplies and personnel coming into the area (both military and civilian) have strained transportation resources which in turn has caused many of the other support groups (there are 10 other groups plus the state), to come to us for finding transportation resources. We are operating on a 24 hour basis with individual group members putting in 12 to 18 hour shifts.

At this time we have no idea how long this level of activity will continue. I personally have been called in to attend and brief as needed, meetings with the command elements of the 2nd Army (one meeting had a 3-star, a 2-star and a 1-star General), the FEMA leadership and Mrs. Quayle (who was here yesterday afternoon). During one such meeting Major P. May, FEMA's Federal Coordinating Officer, thanked the ICC for its efforts in helping to relax regulations (expedited authority handling, working with the states to temporarily relax their regulations, etc.) to allow for the fast movement of goods into the disaster area. The Reverend Jesse Jackson spoke before all the Emergency Support Groups on Monday, August 31.

As a passing comment, after hearing that people could not locate military kitchens that were set up, I suggested and FEMA adopted the idea of floating large inflated balloons over the kitchen sites. I am informed that the kitchens got much busier after the balloons were deployed.

I have been in contact with the American Trucking Association who have been of great assistance in developing a list of carriers with the type and amount of equipment they can make available. They update and fax this list to me on a daily basis and it has proven to be a big help.

I have been contacted by both shippers and carriers who have offered their services. In particular, a representative of CSX Railroad has been on site with us since last Thursday and been a great asset in giving us constant updates on their line into Homestead, FL (which is in the middle of the disaster area) and arranging for donated transportation over their company rail line including the North Carolina National Guard movement of 55 flat cars of electric restoration and debris removal equipment.

Through our assistance in expediting emergency temporary authority requests, I have referred at least seven requests to the Philadelphia and Chicago Regional Offices through conference call hookups.

I will continue to update as time permits.

The Commission assists FEMA by serving as a supporting agency to the U.S. Department of Transportation (DOT) in the Emergency Support Function-Transportation under the provisions of the Federal Response Plan (FRP). Commission field staff members are trained to meet emergency transportation service needs that may develop because of a natural disaster. During the Loma Prieta earthquake in October 1989 and more recently with Hurricane Andrew, our field staff worked closely with DOT and FEMA at the Disaster Field Offices to locate needed transportation equipment to move critically needed supplies. In fact, our field people were deployed before Andrew reached landfall. At the national level, Commission headquarters staff members perform service in support of the emergency response effort at FEMA's headquarters when disasters occur.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. CARR. Mr. Coleman?

MEXICAN BORDER ENFORCEMENT

Mr. COLEMAN. Thank you, Mr. Chairman.

I would like to welcome all of you back. It's good to see you.

I was interested in some of the remarks by my colleague from Texas, particularly though I was interested that some people continue to believe that no amount of enforcement would have changed that. It seems to me that the IRS has a similar problem.

I have served a number of years on the Treasury Subcommittee of Appropriations and can tell you that you are right. We will never completely solve the problem of those who don't pay or those who don't comply, yet a belief that enforcement can take place, for your failure to do what you should have done, is sometimes a very good prod for those who think they could escape payment or escape doing their duty.

I don't happen to agree, and I think it is a philosophical difference that you and I may have. But I also share Mr. Simmons' position with respect to the 1969 issue. The ICC itself has changed dramatically in the last several decades. A lot of us think not all to the better.

I know you may not live on the U.S./Mexico border, but I do. I continue to ask the questions as to who it is that is enforcing Mexican carriers coming into the United States. I notice in the justification for the budget next year, it says that the agency will monitor the moratorium on entry into the United States by Mexican motor carriers that do not have certificates of registration issued by your agency.

For heaven's sake, who is going to do that? They cross on a daily basis into my district. I can tell you that I don't see any ICC personnel working the bridges. You don't have any.

Do you rely solely on local enforcement for that?

Ms. McDONALD. We work with the various enforcement agencies. We work with the Texas Railroad Commission. We work with——

Mr. COLEMAN. Let me give you the bad news. They don't have anybody on the bridge either. So, who else do we have?

Ms. McDONALD. Treasury and Immigration. We work with them. DOT.

Mr. COLEMAN. Let me assure you that the recommended budgets in their areas are not going to be pleasant either. We don't have enough Customs inspectors as it is and, now, we want them to deal with the issue of motor carrier safety responsibility and certificates of safety as well? Is that what we're going to ask Customs to do?

Immigration, as you may or may not know, shares the function at the bridges with Customs of inspection of cargo and drug enforcement. The Bureau of Alcohol, Tobacco, and Firearms has an interest in who brings in weapons, but they have nobody at the bridge either.

Are we going to ask them to do this as well?

Ms. McDONALD. That is what we have done. We have used our people to try to train them and inform them about our regulations. But as you know, we only have three field men in our Fort Worth office that would be trained investigators who might be sent to the bridge and they have all of Texas and the region to deal with.

Mr. COLEMAN. For the record, I wanted to let Tom DeLay know that as far as I was concerned, he could have the trucks. We will send them over and put them on his freeways and roads. Many of them, as you know, don't carry the million dollar umbrella coverage we would like them to carry. Particularly, when you see a 1953 Chevrolet pick-up truck with "Servicio Particular" painted on the side, I can tell you that we don't have a lot of confidence that it is complying with a lot of regulations, never mind the pollution part of it.

So, I would just say to you that I am one of those who advocates the ICC doing more and not less. I would certainly welcome any review that you might be able to give me personally, and to this Committee about the functions, that were taken away during these decades and maybe even the dates. If there is some report you could refer me to, I would appreciate it. I should probably look for it myself, but you may have, in your agency some quicker access to those.

[The information follows:]

Although the legislative changes during the 1980s relaxed significantly operating restrictions and the corresponding necessity for concentrated enforcement of territorial and commodity restrictions, the enforcement tools were largely left in place. Nevertheless, the enforcement challenges along the border may have been underestimated by everyone. Clearly, the budget realities of the 1980s did not contemplate the challenges we face at the border. Currently, we work with other Federal and State agencies to expand the impact of the available limited enforcement resources.

The institution of the moratorium against the granting of operating authority to Mexican-domiciled motor carriers in 1982 refocused our attention on unauthorized transportation, an enforcement area which was certainly de-emphasized by the Motor Carrier Act of 1980. The Certificate of Registration requirement initially imposed by Congress in 1984 had many loopholes and effective enforcement was all but impossible. Congress recognized this and in 1988 amended the requirements to include all Mexican carriers. In meeting these new responsibilities under the amended legislation, for example, the Commission has revoked the operating authorities of eight Mexican carriers that were obtained by fraud. An injunction was also obtained against a large Mexican propane carrier that exceeded the scope of its Certificate of Registration. The Commission has an active Texas border enforcement program concerning the unauthorized and uninsured transportation of passengers in vans between Mexico and Texas. In the last fourteen months, the Commission has obtained seventeen injunctions and one contempt citation against Mexican carriers. For the FY 1991, eighteen injunctions are also obtained.

Although, since 1988, the Commission has not maintained an office staffed by a Special Agent at San Ysidro, California, there is much that we can do with our limited resources to educate other agencies concerning the Certificate of Registration requirement and to coordinate joint enforcement efforts. Under the legislation, the Commission, DOT, and the Treasury Department are responsible for the enforcement of the requirements and we work closely with those agencies, as the Immigration and Naturalization Service, to coordinate border enforcement. In the future, the Commission will continue to conduct joint road checks and related operations with Texas and other State law enforcement organizations.

The results of our enforcement efforts have been published in the last two annual reports to Congress and we issue press releases covering all formal action taken against Mexican carriers.

Vice Chairman SIMMONS [commenting]. The Commission's ability to take an active role in border enforcement is, of course, directly related to the level of its field staffing. Staffing in our field offices has been cut to the bone over the last 10 years, and more than half of these offices have actually been closed. Given the Commission's limited presence outside Washington, it has been necessary to rely on the States and on other Federal agencies for primary enforcement of restrictions on cross-border operations by Mexican motor carriers.

I know that the Commission's enforcement arm, our Office of Compliance and Customer Assistance, is doing everything it can, within the limits of its resources, to enforce the terms of the moratorium. I also know that is could be doing much more if additional resources were made available to the Commission.

FINANCIAL AND SAFETY RESPONSIBILITY TRENDS

Mr. COLEMAN. I want to be helpful to you to provide you with the capability to do the job that I think the ICC should be doing. It is more than just safety. It is not to be taken lightly, in my view, that the American trucking industry has real problems with the issues of interstate and international motor freight.

I am extremely concerned about where we are all headed. I believe that in fact we may even have a North American Free Trade Agreement. We can't deal today with the commerce that we have. So I am suggesting that we're going to have to wake up to the fact that we can't even be expected to accept the increase of commerce between our three countries in this hemisphere. It just can't be done with our current assets.

I sound that warning. I know it is easy to stick our heads in the sand and say that it will all be all right, but one of my colleagues from Maryland, Mr. Hoyer, pointed out one day in a Treasury Subcommittee meeting some years ago about the tragedy of a family who all lost their lives with an unsafe vehicle that had come all the way from Mexico. That is kind of like diseases. We don't deal with diseases in Mexico. There is no border for diseases and there certainly hasn't been for trucks.

I just need to say to you that I know everybody expects the States along the way to get to them before they get to Maryland, but the reality is that that doesn't happen in all cases. Certainly, the highway departments of the various States between Maryland and El Paso, Texas might catch them, but maybe they won't.

I am a believer that somewhere along the way, the ICC has a responsibility here in helping us to resolve what a lot of us view as serious problems. My constituents don't appreciate it and it is a daily problem.

We believe that financial responsibility and safety are two issues which apply to all carriers—we think that includes foreign carriers.

I am interested in knowing where the ICC has been and where we are headed. I have been on this Committee and dealing with the ICC for a long time, but I can just tell you that I continue to be amazed that everybody wants us to do more with less when the facts are that tragedy occurs because we think we can just not pay attention to it.

I would appreciate very much you giving us that information.

[The information follows:]

The insurance requirements established by the Department of Transportation apply to all cross border Mexican property carriers because that transportation is regulated by the Commission pursuant to the Certificate of Registration requirements. Mexican carriers must produce evidence of insurance to enter the United States. The Federal Highway Administration (FHWA) retains the initial safety compliance responsibility with respect to transportation conducted by commercial motor vehicles weighing in excess of 10,000 pounds. Vehicles with a gross vehicle weight rating of 10,000 pounds or less are not covered by DOT safety regulations. Likewise, because the transportation of passengers in vans designed to transport fewer than 16 people is by statute not considered to be transportation conducted with commercial motor vehicles, the FHWA cannot enforce compliance with the Federal safety regulations in this respect, thus causing a void in addressing allegations of unsafe passenger van operations between Mexico and Texas. However, as indicated above, all motor vehicles entering the United States must have evidence of financial responsibility consistent with applicable Federal requirements.

The Commission has continued to exercise its authority to enforce compliance with the Certificate of Registration requirements and the moratorium. Because it is charged with the responsibility of granting the certificates and enforcing the moratorium along with DOT and the U.S. Customs, the Commission does not see its roles as changing. If the North American Free Trade Agreement is adopted, the Commission will continue to perform the same enforcement functions as the various limitations are lifted at each phase-out period.

One initiative recently implemented with respect to safety by the FHWA's Office of Motor Carriers established an International Technical Assistance Group for the purpose of coordinating national compliance with regulations, enforcement activities, and promoting regulatory consistency and compliance uniformity among all users of the transportation network. Consistent with the North American Free Trade Agreement, this Group will focus on coordinating the efforts of the Mexican, Canadian, and U.S. Governments; State agencies along the border; and the Commercial Vehicle Safety Alliance to promote overall consistency in enforcement and compliance. For example, in the future the International Technical Assistance Group will coordinate joint national compliance and enforcement operational efforts with FHWA's Office of Motor Carriers; other Federal agencies, *i.e.*, the Drug Enforcement Administration, Environmental Protection Agency, DOT's Research and Special Programs Administration, United States Customs Service; State agencies; and agencies of the Mexican and Canadian governments. The Interstate Commerce Commission is represented on the Group and will participate fully in those activities involving border safety and related issues.

FINANCIAL AND SAFETY RESPONSIBILITY RECOMMENDATIONS

Mr. COLEMAN. I would also like to raise the same issue as Mr. Price about your office. I am very pleased at the statistics you have shown us and the amount of questions with which the agency has dealt, but I really want to say to you that my view is that the agency needs to do more than that. So I want to try to be helpful in that regard and would really like to see some very serious recommendations made to the authorizing committees as well as to this Committee so that we can see where it is that you believe we ought to be heading.

[The information follows:]

Border enforcement presents a special problem because many Mexican carriers have no permanent presence in the United States and the Commission's special agents have no authority to detain drivers or seize property. As a result, court injunctions are difficult to obtain and enforce. The State of California has enacted legislation which provides for fines and the seizure of vehicles if carriers violate the moratorium and exceed the scope of their Certificates of Registration. California provides the Commission with a copy of its enforcement citation, which is used as probable cause to institute a show cause proceeding leading to the possible revocation of the Mexican carrier's Certificate of Registration. California's experience has shown this approach to be an effective deterrent and the Commission believes it would be helpful if the State of Texas would consider enactment of similar legislation.

The States have the resources and the presence to provide the first line of border enforcement. To the extent possible, the Commission's staff and the staff of the other Federal agencies involved could be used to supplement and enhance a more comprehensive safety program. The state safety programs are already funded in part by the Department of Transportation.

Mr. COLEMAN. A lot of people, I guess, think that the United States is just going to be an international trader because we are the United States. The bad news is that that is not going to happen, in my view. I think the United States needs to recognize that we're going to have to be full participants in moving goods and commerce not just within the United States but to other places. Certainly, the ICC has a major role to play in that.

I think all you would need to do is check with the ITC to find out that that is the case.

Thank you very much.

Ms. McDONALD. Thank you, Mr. Coleman.

Mr. COLEMAN. Thank you, Mr. Chairman.

ELECTRONIC TARIFF FILING

Mr. CARR. Chairman McDonald, on the electronic filing issue, have you talked to the Federal Maritime Commission? The FMC is engaged in a fairly aggressive program for electronic tariff filing.

Ms. McDONALD. Yes, I have. I visited the FCC as well. They do some tariff filing. The FMC has a very elaborate system that they have developed over the years with an industry advisory group that has advised them. So from my parochial view, that looks like the Cadillac of such systems.

I felt in the meeting that there might be other options out there that the industry could bring to us, because as I visit various carriers I note the high degree of electronic data sophistication that they have. It seems to me that now the industry has had this experience that they may well have some options that would not cost us large capital investments, such as the one the FMC was authorized to make. There may be some other options proposed in this notice that would deal with the nuts and bolts of the statutory requirements and might make it possible for us to modernize.

USE OF FMC ELECTRONIC FILING SYSTEM

Mr. CARR. Do you believe it would be possible for you to have electronic tariff filing through the FMC system, with appropriate modifications in their software to accommodate land surface shipments?

Ms. McDONALD. I would like to pose that technical question to our people and put that in the record.

My feeling is that they deal with far fewer carriers and far fewer filings. So, their system was designed for a very different universe than ours.

Mr. CARR. That would be an important difference, but one of the benefits that we hope to get out of this is not just the ease of electronic filing, but also better data. We can't make very good judgments as an Administration or a Congress on how to spend our money and prioritize our infrastructure investment because we don't have very good data on where goods are and where they need to be.

I have often been critical of ISTEA, but one of the good things in ISTEA was the establishment of the Bureau of Transportation Statistics, which this subcommittee has been vigorous in trying to get underway. Therefore, the tariff filing system is an important aspect of our data collection efforts. It won't tell you all that you need to know, but it will tell you from a market standpoint where the choke points are. You can do some rather interesting analyses on the relative costs that the private sector is levying on various shipments over various distances over various routes and so on and so forth.

ELECTRONIC TARIFF FILING STUDY

Mr. SIMMONS. Mr. Chairman, the former Chairman conducted such a study. He commissioned a study by former commissioner, Jim Carey, who was on the Federal Maritime Commission. I have read it and I am sure it wouldn't be sufficient for us to go forward, but it did give us some parameters on which to think about.

According to my memory, he said that it would cost about $20 million for us to do one on our own whereas if we piggy-back on FMC it would be from $6 million to $8 million. That is my recollection.

I think last year we did furnish this Committee copies of that study. If not, I will certainly be happy to.

Mr. CARR. We would like to receive it. There is no necessity for the ICC to reinvent the wheel.

Ms. McDONALD. Certainly not.

[The information follows:]

James J. Carey, former Commissioner and Chairman of the Federal Maritime Commission and former Chairman of the Tariff Automation and Information System Committee at the Federal Maritime Commission, was hired by the Interstate Commerce Commission in 1991 to research, analyze, and prepare a preliminary assessment of the feasibility of automating the tariff library at the ICC and the secondary parallel task of addressing the potential ability of the transportation industry to file such tariffs in an automated electronic environment. The results of that study follow.

1887

Interstate Commerce Commission
Washington, D.C. 20423

Office of the Chairman

February 27, 1992

TO: Vice Chairman
Commissioners

RE: Preliminary Assessment of the Feasibility of an Automated Tariff Filing System

As you know, last fiscal year after a discussion among ourselves, I commissioned James Carey to prepare a preliminary assessment of the feasibility of an automated tariff filing system at the ICC.

The results of that study are attached. Key elements of the study are the timelines and costs of the various options. Please note the assumptions upon which the study was predicated -- the key assumption being that the mandates of the ICC concerning tariff filing will remain unchanged (i.e. the statutory responsibilities).

My position regarding the utility of mandating motor carrier rate tariff filing has not changed, and I still support elimination of the motor carrier tariff filing requirement. This report includes some speculation regarding how automated tariff information could be used. In no way does the ability to manipulate the data change my view that tariff filing is an unnecessary burden on the industry.

My personal opinions aside, I believe we have a responsibility to fulfill our statutory mandate and that includes securing the tariff filing operation and -- within our budgetary restraints -- to "make the system work" to the best of our abilities.

As an update, the FMC system was scheduled to go on line in April, but that date has been moved back to sometime this summer due to the FMC's relocation.

I trust we will find this preliminary assessment of assistance to us in making decisions regarding the tariff filing system.

E. J. Philbin

Edward J. Philbin
Chairman

Attachment

A
PRELIMINARY ASSESSMENT
OF THE FEASIBILITY
OF AN AUTOMATED TARIFF FILING SYSTEM
AT THE
INTERSTATE COMMERCE COMMISSION

PREPARED FOR
THE
INTERSTATE COMMERCE COMMISSION

February 1992

PREPARED BY
THE HONORABLE JAMES J. CAREY
FORMER COMMISSIONER, VICE CHAIRMAN, AND CHAIRMAN
FEDERAL MARITIME COMMISSION
AND
FORMER CHAIRMAN
TARIFF AUTOMATION AND INFORMATION SYSTEM COMMITTEE
FEDERAL MARITIME COMMISSION

TABLE OF CONTENTS

PAGE

I. INTRODUCTION 1

II. ASSUMPTIONS 7

III. TARIFF PROCESSING 10

- A. Scope 10
- B. Filing 11
- C. Retrieval 13
  - a. Utilization By Industry 14
  - b. Utilization By Government 15
    - 1. Other Agencies 15
    - 2. Utilization by the ICC 18
- D. Tariff Structure 20

IV. PRELIMINARY ANALYSIS OF THE FEASIBILITY OF TARIFF AUTOMATION AT THE ICC 21

A. Introduction 21

B. Industry Advisory Committee. 24

C. Other Considerations 27

1. Industry Speculation 28

2. Information Industry Concerns 29

3. Industry Support 30

D. Alternative Approaches for ICC Consideration . . 33

1. Retain the status quo 34

2. Approach the Congress for a limited or partial moratorium on tariff filing while evaluating the future course 36

3. Approach the Congress for changes in the tariff filing provisions of the law. . . . 36

4. Elementary electronic imaging system . . . 38

5. FMC Option I - "An Electronic File Cabinet 42

6. FMC Option II - "Standard Database System" 44

7. FMC Option III - "Standard Database System With Commodity and Geographic Codes" 46

8. A Combined FMC/ICC "Shared System" 49

V. CONCLUSIONS AND RECOMMENDATIONS 52

Conclusions 53

Recommendations 54

APPENDIX

A-I APPENDIX I: FMC TARIFF AUTOMATION STUDY . . . . . A-I

A-2 APPENDIX II: ICC BUREAU OF TRAFFIC ELECTRONIC IMAGING DOCUMENT DATED JUNE 12, 1991 . . . . A-II

A-3 APPENDIX III: FMC INDUSTRY ADVISORY COMMITTEE APPOINTMENT AND ESTABLISHMENT DOCUMENTS . . A-III

EXHIBITS

E-1 EXHIBIT I: ICC TARIFF AUTOMATION PRELIMINARY COST ESTIMATES E-1

E-2 EXHIBIT II: ELECTRONIC FILING SYSTEM REQUIREMENTS COMPARISONS E-2

I. INTRODUCTION

I am pleased to submit this document to the Chairman of the Interstate Commerce Commission [ICC] pursuant to my assigned task to prepare "A Preliminary Assessment" of the feasibility of automating the tariff library at the ICC and the secondary parallel task of addressing the subsequent potential ability of the transportation industry to file such tariffs in an automated electronic environment.

My efforts have focused on the feasibility of designing and operating an ICC automated tariff information system based on my experience in chairing a similar project while Vice Chairman of the Federal Maritime Commission [FMC].

The purpose of this assessment is to determine whether the development of a tariff information system, using contemporary information automation technology, is both feasible and sufficiently promising to justify the investment that would be required.

This document represents the results of my research and analysis at the ICC combined with over five years of experience in a similar effort at the FMC. In it, I have relied heavily on that FMC experience and have attempted to save both time and duplication of effort by referring regularly to parallel experiences at the FMC as referenced in FMC reports and studies, which are contained as appendices to this report.

Specifically, this document describes potential requirements for a tariff automation system and what functions should be performed by the system.

This analysis is based in part on interviews with persons representing several different segments of the transportation industry and shipping public. These interviews also included discussions with various employees of both the ICC and the FMC, who are responsible for tariff filing standards and procedures. The interviews and meetings were designed to determine the needs and requirements related to tariff filing, processing and information retrieval at both agencies, as well as to determine similarities and/or dissimilarities between the tariff filing systems at the ICC and the FMC.

The purpose and premise of this approach were based on the assumption that the more similar the tariff format, systems, and procedures between the two agencies, the more readily the lessons learned, and previous studies being utilized at the FMC could be applied to the situation at the ICC with resultant savings in both cost and time. ICC's Tariff Automation Manager, Mr. Jim Green, was included in the majority of these meetings in order to ensure that he would be conversant with the information exchanged during those events and the information contained in this document and, as a full time ICC career employee, could serve as the ICC's "corporate memory" once this assessment was completed. Meetings and discussions were also held with other federal agencies with similar information processing requirements and programs.

This analysis has been organized into a series of chapters, each of which reviews the potential requirements that need to be addressed in determining the need for, and feasibility of, an automated system. Because the tariff systems at both the FMC and ICC are quite similar in format and internal processing, it was considered unnecessary to address each issue in the detail and volume contained in the FMC study attached as Appendix I to this assessment. Rather, the reader is referred to that FMC study for an in-depth analysis of the various issues and methodologies to be addressed in determining the feasibility of instituting an automated tariff filing system, be it at the FMC _or_ the ICC, with the comments in this assessment limited to an overview of that detail and any additional issues which are sufficiently different at the ICC as to affect the ultimate conclusion of whether or not to automate.

Chapter I of the FMC Study, the assessment of User Needs and the Analysis of Current Operations and Commercial Services, is addressed in Chapter III of this document under "TARIFF PROCESSING" and is detailed in the FMC study under Deliverables 1 and 2 of Appendix I, Pages 1-92.

Chapter II of the FMC Study, Policy Issues, is also addressed in Chapter III of this document, but is detailed in the FMC Study under FMC Deliverable 3 of Appendix I, Pages 93-182.

Chapter III of the FMC Study, the preliminary Assessment of the Feasibility of Tariff Automation, is addressed in Chapter IV of this document and is detailed in the FMC Study under Deliverable 4, Pages 183-221 of Appendix I. The chapters in the FMC Study beyond Chapter III, "Assessment of the Feasibility of Tariff Automation", require the specific technical expertise of a professional technical systems integration firm and are not addressed in this assessment.

The "bottom line" conclusion developed from this assessment is that the automation of tariff filing at the ICC is certainly feasible utilizing current technology and is, indeed, being demonstrated under one available approach at the FMC. The rationale for that conclusion is contained in Chapter III of this document. The mere fact that automated tariff filing is feasible at the ICC, however, does not necessarily mean that the ICC will want to proceed "in parallel" with the FMC program, nor that they must. That is a decision for the ICC to make based on the Commission's specific Congressional mandate and whether that mandate and the needs of the industry under that mandate [i.e. the law] can be met through their current system, through some form of tariff automation, or through an alternative "interim" approach that achieves some of the efficiencies of automation without the cost and accompanying sophistication of a fully automated system such as the one at the FMC.

It is the conclusion of this report that to reach a final decision will require additional data in the form of cost-benefit analysis and technical reports. That does not mean that the data contained herein is not sufficient for the ICC to determine its future course in tariff automation. To the contrary, this assessment presents specific conclusions and a broad array of recommendations for future courses of action depending upon "the direction" the Commission chooses to take. Once that direction is determined by the Commission, there are numerous avenues available, both through other governmental institutions and/or state-of-the-art technology, which can result in interim, partial, or full solutions to the ICC tariff filing problems.

This document is designed to serve as a catalyst, providing focus on several courses of action available to the ICC, and dependent on which course is chosen, to provide guidance on several options available as to how to proceed. It is meant to serve as "an interim product" for future use in providing guidance to the Commission as to what options are available, practical, desirable and affordable. The objective is to provide a preliminary assessment of tariff automation at the ICC and to evaluate whether automation is sufficiently promising to continue with a full scale technical feasibility study at a later date.

As an initial assessment, this report is not intended to provide the full range of technical analysis that a fully staffed systems integration firm can offer. Rather, it is based on a managerial overview with benefit of over five years of extensive involvement and experience in the FMC automation effort, from the initial feasibility study to the formation of an industry advisory committee to the development of a full scale feasibility study and the follow-on cost-benefit study, and then ultimately the procurement effort in conjunction with the General Services Administration, preparation of the request for proposal [RFP] and system standards, issuance of the RFP, receipt of bids and the evaluation of those submissions, the funding of the system through OMB by the Congress, and the actual procurement of the design, development, and prototype phases of system installation.

The objective of this document is to provide the ICC with sufficient initial information which, when combined with the ICC's own internal studies and information and the tariff requirements of the law as enacted by the Congress, will enable the ICC to determine an appropriate course of action for the agency, the industry, and the efficient utilization of the tariff filing mechanism. Assuming that, as a result of this "future course of action", tariff automation continues to appear promising, it will then be up to the agency to determine what its next step will be. This study identifies several alternative approaches for consideration, along with conclusions and recommendations. The objective is to assist the Commission in identifying the best approach for tariff automation and to assist the ICC in determining whether the best approach is sufficiently attractive to justify the investment that would be required.

II. Assumptions:

In the preparation of a document such as this, it is necessary to make certain assumptions concerning the facts as they exist at the time of the report, which of those facts are expected to remain the same, and which are expected to change. The following are assumptions upon which this report is based:

O The statutes governing the mandates of the ICC concerning tariff filing will remain unchanged.

o The ultimate direction of the tariff filing process at the ICC will be determined by policy issued by the Commission.

o ICC tariff format, structure, filing, processing and retrieval procedures will remain essentially the same for the period of this assessment.

o Any ICC tariff automation efforts will be "build from scratch", with no pre-existing systems to build upon.

o Current tariff security requirements will remain the same.

o ICC tariff filing growth factors will remain consistent with prior years and current projections.

o Congressional and OMB constraints on government competing with third party information vendors will remain in effect.

o ICC tariff archive requirements will remain unchanged.

o Industry utilization of tariff information will continue at its present rate.

o The surface transportation industry will continue to automate.

o Federal government automation system procurement regulations will continue in their present form.

o For purposes of ICC dual utilization of FMC systems, the FMC schedule for implementation and operation of their system will be as outlined in their most recent study materials.

o Third party information vendors will benefit from receipt of ICC tariff data in electronic batch vice paper format.

o Repetitive cost savings resulting from tariff automation [i.e. annual library and archival storage costs] will be applied on an annual basis in cost-benefit analysis.

o Filing and user fees will be applied in cost-benefit analysis, utilizing the government standards for revolving funds.

o ICC personnel training will be included in the cost of any system evaluated.

III. TARIFF PROCESSING

This chapter describes in very general terms the tariff processing function performed at the ICC, and is meant to be reviewed in parallel with the extensive documentation contained in Appendix I [FMC Study]. In meetings with tariff processing personnel at both the ICC and the FMC and in a joint meeting of key tariff processing individuals from both agencies, it was the general consensus of all parties present that the format and processing of tariffs at these agencies were 90-95% similar and that the rationale, analysis and conclusions contained in the FMC study were for the most part applicable to the situation at the ICC. In reviewing both the tariff format and processing procedures, it becomes obvious to even the most uninitiated observer that many of these tariff processing functions could be performed in a more efficient manner were they supported by an automated system.

A. Scope

The filing of tariffs and related documents at the ICC is of significantly larger scope than that at the FMC. The ICC database is approximately eight times larger [calculated by using an average of 5 pages per filing multiplied by the number of filings in that year]. In fiscal year 1989, the number of tariffs filed at the ICC was approximately 1.3 million, as compared with 1.45 million in fiscal year 1990 [or a total of 6.5 million pages compared to FMC annual filings of 800 thousand pages]. This represents an 11.5% growth factor. In fiscal year 1991, the number of tariffs filed are estimated to remain approximately the same as in fiscal year 1990; however, the number is projected by the Bureau of Traffic to increase to 1.5 million in fiscal year 1992 and to 1.7 million in fiscal year 1993. The significance of these numbers is that the trend in tariff filings continues upward.

B. Filing

Actual tariff filing and processing procedures at the ICC are remarkably parallel to those utilized at the FMC, with minor nuances to accommodate ICC-specific requirements. However, the overall process is of such close parallel as to render insignificant the need to develop an in-depth comparison of the two systems. The specific procedures utilized, the processing flow, the maintenance of indices, receipt and routing procedures, and all other related procedures are covered in depth in the FMC Feasibility Study in Chapter II and are attached to this assessment in Appendix I.

For purposes of this assessment, it can be concluded that the two processes are similar to such degree that the same basic conclusions developed in the FMC study also apply to the ICC; namely, that tariffs filed, received, processed and maintained in this manner are indeed ideal candidates for automation. In fact, the FMC study, delivered in 1986, came to this conclusion overwhelmingly. Over the past five years, the capabilities of the automation industry have grown geometrically in their ability to process large databases rapidly with a resultant "less per tariff cost" to file, receive, process, and retrieve.

The capability to electronically transmit data filings via modem and phone line is available to virtually every carrier with a personal computer, a telephone, and a computer modem. The ability to accommodate all functional filing requirements has also improved geometrically since the FMC study, as has the accuracy of those systems. Rate filings can be received into the system immediately upon filing if desired. The ability to prevent tampering or unauthorized changes is readily available, and the ability to accept data filings from anywhere on the globe exists and is already in use by many private sector companies as this assessment is being written.

And finally, the ability to ensure compatibility with existing systems through advances in software, industry standards, and the standards established by the

Transportation Data Coordination Committee makes system compatibility much easier to achieve today than when the FMC addressed the issue six years ago.

This leads one to conclude, almost simplistically, that what was feasible in 1986 is indeed, much more achievable in 1992 at less cost and with significantly more comprehensive analysis of the tariff database available to both government, the surface transportation industry, and the information industry and tariff watch services. That is also the conclusion of this assessment as to the feasibility of automating the ICC tariff database.

C. Retrieval

It is a given premise that a broad spectrum of transportation system entities access tariff pricing data on a regular basis. Chapter VIII of the FMC study [Appendix I] covers this topic in detail. It is evident upon review that the FMC study involved many of the same entities that are a part of the surface transportation industry, namely freight forwarders, various sized shippers, government transportation or shipping agencies, tariff watch services, and tariff filing services, and that, as in previous sections, the vast majority of the information contained in the FMC study is applicable to circumstances at the ICC as well.

Rather than duplicate their effort, this assessment will refer to the FMC study and make appropriate comment as to the applicability of the FMC study results and their relationship to the circumstances faced by the ICC.

a. Utilization By Industry

The details of industry utilization of tariffs outlined in the FMC study closely parallel conditions in the surface transportation industry and contain an in-depth analysis of how the transportation industry currently utilizes tariffs as well as a review of how their various needs would be addressed in an automated environment. Because the analysis is focused on general transportation requirements rather than transportation "mode specific" requirements, it is felt that the FMC report accurately addresses both present utilization and future needs of surface and domestic industries as well.

The one area that merits specific comment having to do with tariff retrieval by the surface transportation industry focuses on the surface modes utilization of tariff watch services. This exception is noted because there appears to be a considerably higher utilization of the tariff watch services with regard to ICC tariffs than that experienced at the FMC. Whether this usage may be due to the significantly larger volume of tariffs at the ICC and the agency's current challenge to rapidly accept, process, file and have the tariff information available to the shipping public in a timely manner, but it is noted at this point because of the significance the tariff watch services may have in the "surface transportation culture" and because their activities could well be a relevant factor in regard to future action the Commission may take to address tariff automation. Should the ICC decide to proceed, it will be important to take into consideration the very influential role the tariff watch services play in the surface transportation industry.

A further consideration of the FMC automation effort that has equal bearing on any ICC course of action has to do with the potential for competition with the private sector information industry. Considerable care was taken at the FMC to avoid creating or designing a system that would place a government agency in competition with any segment of the private sector. The significance of the important role played by the tariff watch services would have to be taken into account, and the resultant approach to automation structured to achieve the efficiencies and results desired by the ICC as an agency of the federal government without impinging upon the role of the watch services as a viable service industry and a unique part of the surface transportation community.

The ultimate approach adopted by the FMC was to design a system that would make only the raw data available to the shipping public, with any enhancement of that data left up to the commercial tariff "data enhancement" industry. That approach provided the maritime and related transportation industries with the filing efficiencies offered through electronic tariff data transmission, and further provided for that data to be available to the tariff watch section of the industry in electronic format for additional development, enhancement, and sale to the shipping public. Should the ICC decide to move forward with electronic tariff filing, it may want to consider a similar approach in view of the role that the tariff watch services play in the ICC regulated industries.

b. Utilization By Government

1. Other Agencies

Through electronic tariff filing and the ultimate ability to manipulate tariff data through automated database software, the research and analysis capabilities of other government agencies that also serve the transportation industry and general public could be enhanced. The U.S. Congress, State and Federal Agencies, including the Department of Transportation, the Federal Maritime Commission, U.S. Customs, the Federal Trade Commission and the International Trade Commission, etc., would have the capability to electronically link the ICC tariff database information with their own electronic databases. Not only would this render the government agencies involved more efficient and effective, but the savings in time and money for a shipper or carrier in preparing the required Customs documents and other transportation documentation (i.e. manifest, bills of lading, etc.) would be greatly enhanced if the Customs commodity descriptions [or codes, the Harmonized Commodity Code, for example] were the same as those utilized in the tariff commodity descriptions.

Given the tremendous advancement of the federal government in automation systems since the FMC study was conducted over five years ago, it appears obvious that the value of ICC tariff data automation to the government would be greatly enhanced if designed in such format that it could be readily "paired" with data from other government agencies. Coding systems, discounting provisions and other variables may impair the utility of this information. The ultimate value and benefits provided by such enhancement would be based on a cost-benefit study, a requirement of GSA, which would be prepared prior to proceeding with any such automated system. The ultimate question of whether or not to proceed with any level of automation will then have to be made by the ICC Commissioners based, in part, on the results of that study.

Should the decision be made to proceed, at least through the technical feasibility study phase, it is recommended that one of the final phases of that overall study be a cost-benefit analysis. This is a requirement that the FMC missed in its initial efforts, only to have to address it at a later date at the cost of additional time, money, and project delay. Should the ICC decide to proceed with automation, this is a "lesson learned" it can utilize that can easily be included in the final phase of the technical feasibility study, would result in a cost savings, and will certainly result in both timely cost-benefit information and little added delay in proceeding with any future system design, procurement, or implementation.

2. Utilization By The ICC

Potential advantages to the rest of the government brought on by an automation of the ICC tariff file database could also accrue to the ICC itself. The problem addressing the physical handling and storage of large quantities of paper would be obviated. The ability to locate and review any tariff on file would be realized. The ability to internally "machine manipulate" the tariff data in any format to assist the agency in its mission would be limited only by the agency's own ability to write the necessary database programs or to utilize off-the-shelf" commercial software. The ICC's ability to monitor and review trends in the surface transportation industry would be geometrically enhanced. The concomitant ability to provide the Congress with information on observed changes and trends in the industry that signal a need for changes in the law would be achieved.

And finally, the agency would be able to determine better who actually did and did not have required tariffs on file and be able to control access to those tariffs, allowing the agency to enhance tariff security. While these capabilities are not without cost, the cost-benefit study will identify cost savings that can be realized through 1) the elimination of the expense of the vast area currently used to store paper tariffs, 2) agency efficiencies that become available through machine vs. human manipulation of data to provide managerial information, and 3) the more efficient utilization and employment of the current 34 employees now assigned to receive, handle, file and store the current paper tariffs.

D. Tariff Structure

In addition to an analysis of the various advantages of an automated tariff filing system to both federal and private sector users, another key factor to consider in electronic tariff processing is tariff structure. The spectrum of possibilities ranges from a simple electronic image of the current "page formatted" paper tariff being filed to a more advanced form of electronic filing cabinet containing the tariff in its current format with several search and indexing capabilities and, on the other end of the spectrum, the most current machine manipulable format, that of a "line item database formatted tariff" with a variety of enhancements such as alpha-numeric codes for commodities and codes for trade routes and for cities within those trade routes. Added to any one of these can be a numeric coding of "standard" tariff rules for ease in filing and updating. Each of these enhancements is understandably dependent on the ultimate direction the ICC decides to take regarding the issue of tariff automation. The more capable the system, the greater the cost, but the more utility it provides to both government and industry [and thus, the necessity for the required trade-off comparison required by the GSA "Cost-Benefit Study"].

If the ICC decides to proceed with the next logical step in an automation process, namely, a technical feasibility study, each of these options would be evaluated in detail in that study with an analysis of the pro's and con's of each. They are identified in this report to ensure that the entire spectrum of options available to the Commission is a matter of record and to register the opinion that in any subsequent technical study, this entire range of options should be reviewed and presented to the Commission for consideration in its ultimate policy decision of "if and how" to proceed.

IV. PRELIMINARY ANALYSIS OF THE FEASIBILITY OF TARIFF AUTOMATION AT THE ICC

A. Introduction

As with the earlier sections of this assessment which referred to the parallels between the FMC and the ICC and in particular, the numerous similarities between the tariff filing, processing, storage, use and retrieval procedures between the two agencies, these same similarities come to bear in this section. In particular, the potential range of tariff system requirements was found to be significantly similar between the two agencies, resulting in the conclusion that large portions of the formal FMC study are also equally applicable to the ICC, with areas of difference being discussed in detail herein. Critical issues in the FMC study are also applicable to the ICC, although the issues need to be further developed in an "ICC specific" technical environment during any future ICC feasibility studies and circulated to the ICC for discussion and decision. The possibility of the ICC using the FMC study as a base or "preliminary document" for it's own feasibility effort has merit and is an option that should be considered.

The purpose of this section of our assessment, based on the requirements and issues identified in earlier sections, is to perform a preliminary assessment of the feasibility of automated tariff filing at the ICC, and to assist the ICC in its decision making in determining whether to advance to the next logical step of further study, continuation of the status quo, or some alternative direction.

The primary decision the ICC now faces is "which decision makes the most sense" in light of its current legislative mandate for motor carrier tariff filing at the agency. That decision process will be driven by the needs of the surface transportation industry, the desires of the Congress, and the surface transportation needs of the nation, the taxpayer, and the American business community. If the ICC's decision is that current circumstances allow the Commission to maintain the status quo, then the data in this assessment could serve a useful purpose at some future date. Conversely, if the data in this assessment is helpful to the Commission in rendering its decision on future direction concerning tariff automation -- even if that decision is to maintain the status quo or establish a broader-based tariff filing relaxation or moratorium -- then it will have also served its purpose.

Given that premise, a portion of the purpose of this section is to assist the ICC in determining whether it should move forward with a detailed technical study to further assist in determining its "ultimate agency direction in tariff filing", or whether to adopt a less pro-active, more "what is the future of tariff filing" debate before it determines what the next course of action will be.

It is presumed that any decision to conduct a further study would be based on a determination of whether (1) tariff automation appears to offer significant benefits to the surface transportation industry, the ICC, and the American public, (2) tariff automation is both technically and politically feasible, and (3) the cost-benefit analysis indicates a reasonable range of cost, compared with the benefits that would accrue, and are acceptable to the agency oversight entities that control the budgetary process, and (4) whether or not funding is available to move forward with an automated system.

Assuming all this, if the decision is made to conduct a further study, that study should develop a detailed technical concept for alternative computer hardware and software systems. Further, that study and its attendant cost-benefit data would then be used with other internal Commission data to determine just how to proceed, how to structure the attendant Request For Proposal, identify the systems to be considered in contract bidding, the cost data to be utilized in submitting proposed budgets to the Congress and the OMB, and the accompanying time lines and Commission assets that would be required to accomplishing an undertaking of this magnitude.

B. INDUSTRY ADVISORY COMMITTEE

The tariff automation effort at the FMC included an "Industry Advisory Committee on Tariff Automation" as provided for under the Federal Advisory Committee Act. This body was established in consultation with the GSA Advisory Committee Management Secretariat for the purpose of obtaining "views of representatives of interests directly affected by tariff automation" and proved to be one of the most helpful actions in the FMC's tariff automation process. The advice of this committee on the efficacy of the technical, operational and policy goals of the FMC effort was, without question, of tremendous value in ensuring that the FMC was fully aware of the current views of a broad base of industry representatives, was kept abreast of both desired and undesired attributes of any subsequent automated tariff filing system, and was an invaluable sounding board for "what the industry was thinking" at any point in time. Their "guidance" on overall direction and their availability as a standing body of representatives of affected interests to address relevant factors as they arose in the process in large part assisted the FMC in avoiding a course of action that would not be supported by the shipping public.

An Industry Advisory Committee is relatively simple to establish. Details, related documents, and the sequence of events relating to this effort are contained in Appendix III to this report. The membership and operating parameters are well established in federal regulations and the requirements of the Act are easy to follow. The GSA Advisory Committee Management Secretariat assists an agency in establishing such a body and even though this was a "first ever" undertaking by the FMC, it was accomplished in a timely and highly satisfactory manner. In order to attain a balanced membership on the committee, an "Advance Notice of Intent to Form an Advisory Committee" was published in the Federal Register explaining the committee program, listing the interests affected by the FMC's tariff automation efforts, and seeking general public comment. The notice also requested that persons interested in participating on the committee so indicate and advise the FMC in writing as to the industry interest they represent and their qualification to participate on the committee. Committee member selection recommendations were ultimately made from the respondents to the FR notice by the FMC's Automated Tariff Filing & Information Committee and forwarded to the Commission for review and final selection. Considerable effort was expended to ensure that all segments of the maritime shipping industry were represented on the committee in proportion to their presence in the industry and their involvement with tariff filing activities. Three meetings were held over the period of a year, with the minutes being published for the benefit of all interested parties. The agenda was established by submissions from the committee members. Committee meetings were chaired by a Commissioner appointed as Chairman of the Advisory Committee. At the FMC, that Industry Advisory Committee Chairman was then FMC Commissioner Philbin, now ICC Chairman Philbin, so the ICC is not without considerable "in agency" expertise in this process. This committee was undoubtedly one of the most valuable assets in the entire FMC tariff automation process.

The ICC may want to consider creating an Advisory Committee representing the surface transportation industry and the shipping public. There is a wide variety of viewpoints concerning tariff filing and the needs of the surface transportation industry regarding what course of action the ICC should take to properly respond to those needs. The availability and face-to-face input of representatives of the industry that such a committee could provide would serve a valuable purpose as this debate continues. The immediacy of their deliberations would provide a "pulse of the industry" that could prove invaluable to the ICC commissioners as they seek the best course of action for tariff filing in surface transportation. It is further recommended that, should the Commission determine that such an advisory body would be of value, a notice of inquiry be published in the Federal Register requesting comment on the establishment of such a body and an indication of interest from those who would like to serve as members. Full details on this course of action are contained in Appendix III to this report.

C. Other Considerations

In determining what actions to take on the future of tariff filing at the ICC or on automation of those tariffs, not all considerations are obvious. A review of a few of those that were most significant in the FMC efforts may serve as a guideline for the ICC on several issues that may arise. They include speculation or the perception the transportation industry may have, concerns of the information industry, and overall industry support for an automated system. Those concerns are addressed below:

1. O Industry Speculation

Considerable industry anxiety can be anticipated as a result of any effort to change tariff filing procedures. Communication is a key. Regularly schedule releases of information on status, direction, thinking, and plans. Obviously, there comes a point where it becomes impractical to issue news releases with such regularity that the information is no longer news, yet any lull seems to create anxiety in some of the affected industry interests. This is understandable because any change affects their business operations.

In any effort undertaken by the ICC, it is recommended that the ICC establish a system of regular communication with the industry news media and all related components of the surface transportation industry to ensure that all parties concerned are aware of the direction and progress of that effort and its potential effect on them and their companies. At the FMC, more information proved to be better than less and diminished the tension created when the shipping industry was unaware [or felt it was unaware] of "what was happening".

Another lesson learned pertained to internal communications related to the agency's intentions concerning automated tariff filing. The same anxiety that occurs outside of the agency may also be experienced internally. Wide distribution of external news releases inside the agency will prove helpful in ensuring that ICC employees are also kept abreast of the direction and progress in tariff automation. Such information sharing will also assist agency employees in remaining knowledgeable and helpful in disseminating accurate information to the transportation public.

2. O Information Industry Concerns

When the FMC first began to move forward on tariff automation initiatives, it was unaware that its efforts would be interpreted by some as a potential threat to their livelihood, or as an effort by the agency [i.e. the government] to compete with private industry in the information enhancement business. While it was never the intent of the agency to so compete, this "perception" was to be a time-consuming problem throughout the entire project.

To combat this perception, the agency continually repeated its basic premise that "it had no intent to provide value enhanced data to the general public, that only raw data would be made available to public tariff retrievers, and that all filed data available in the system would be made available to companies in the value enhancement business at cost". Even so, the agency was included in House Government Operations hearings on government automation and its impact on private sector firms in the information value enhancement business and it was a standard question at most other Congressional oversight hearings that were involved even in only a minor degree with the agency's tariff automation activities.

It is recommended that any ICC tariff automation initiatives make clear at the outset that the automation effort will be limited to the submission of raw data to the agency and that any internal enhancement will be "for internal monitoring and official oversight and evaluation only" and will not be available outside of the federal government. Any tariff retrieval capabilities should be limited to raw data only, and the entire database of raw data should be available at cost for utilization by the private sector value enhancement companies. Through an "up front" approach such as this, the ICC can perhaps avoid the roadblocks and mine fields the FMC encountered, even though it was always the FMC's intention to avoid competition with any of the private sector value enhancement efforts.

3. O Industry Support

During the course of the FMC Study, the maritime industry appeared to support tariff automation. This statement is backed up by several polls of that industry. Such a consensus does not appear to be the case in the surface transportation industry. Indeed, a review of the industry press over the past eight months indicates a significant variety of opinions and stances, ranging from support for the tariff system, to support for changes to the current system, to support for automation of the system, to equally strong verbal support to eliminate tariff filing entirely. Recent decisions by the ICC indicate that a majority of the commissioners are on record as feeling that tariff filing, particularly for the trucking sector of the surface transportation industry, no longer has utility. Commissioners have submitted various options to resolve the issue, but in the interim, problems exist with the current system and it would appear that if no legislative resolution is forthcoming from the Congress, then the Commission will be faced with addressing the problem at hand. The current tariff filing system is a large, costly, paper intensive system that continues to grow and has not kept pace with automation capabilities that provide for storage, management and retrieval efficiencies.

A course of action that would potentially enable the Commission to move forward in the absence of any change in the tariff filing requirements established by the Congress would include:

O The issuance of a Notice of Inquiry in the Federal Register as to the utility of tariff filing in its present form, the capabilities of various levels of automation in the tariff filing process, and the legality and practicality of a limited tariff filing relaxation or moratorium for a specified period to provide for a review of the impact of that moratorium on the surface transportation industry. This procedure would provide a comprehensive record which the Commission could use in its deliberations on these subjects.

o The establishment of a Surface Transportation Tariff Advisory Committee for the purpose of providing the ICC with pertinent, immediate advice on the entire subject of tariffs and tariff filing.

o The commission of a feasibility study by a technical systems integration firm to address the feasibility, cost and methodology of using electronic imaging as an intermediate step to cure the immediate tariff library problems associated with the current paper tariff system.

While none of these recommendations will totally solve the issue of the future of tariff filing, each will provide pertinent information to the Commission for use in reaching some interim decisions. All three of these recommendations can be pursued concurrently, or each independent of the other. All three will provide vital information needed in resolving major problems with the ICC's tariff filing.

D. Alternative Approaches for ICC Consideration

This section contains a preliminary assessment of a range of approaches to tariff automation, including the three alternatives considered by the FMC, along with the addition of several others which are available to the ICC at this time. The alternatives are:

- Retain the status quo.
- Approach the Congress for a limited or partial moratorium on tariff filing while evaluating the future course of action.
- Approach the Congress for changes in the tariff filing provisions of the law.
- Consider an elementary electronic imaging system with an equally elementary indexing capability. [Detailed discussion on following pages]
- FMC Option I - "An Electronic Filing Cabinet"

- FMC Option II - "Standard Database System"
- FMC Option III - "Standard Database System With Commodity & Geographic Codes"
- A Combined FMC/ICC "Shared System" to take advantage of FMC expenditures, their "in-place" system, and "lessons learned"

Each will be discussed in turn.

1. Retain the status quo.

While not recommended, this course is included as an option for the ICC even though it was not considered to be an option for the FMC, either by the agency itself or by those charged with oversight of the agency. One needs to keep in mind that the genesis of the FMC effort began with criticism by the Congressional oversight committees in the early 1980's that the agency was not moving forward quickly enough with efforts to automate, and that the tariff process was inefficient and antiquated. It had been the FMC's position in earlier years that, since the debate was still going on in the Congress as to whether or not to continue the process of tariff filing at the FMC, to move forward with initiatives to automate the tariff library when the ultimate decision of the Congress could well be to change the law and eliminate the requirement for tariff filing in the first place, was questionable. That option disappeared in 1984 with the passage of the Shipping Act of 1984, in which the Congress decided to retain tariff filing as a benchmark of the statute, and the resulting six and a half year stabilization of the laws governing the maritime transportation industry. With tariff filing now locked into the new law as a requirement, the FMC decided to move forward with automation and the consideration of several methodologies for electronically filing the required tariffs. The matter was brought before the Commission to consider a technical feasibility study on the electronic filing of tariffs, the Commission voted to proceed in that direction, and the remainder of their action is now relatively well documented through written studies and official FMC actions.

Seven years later, the situation is not the same at the ICC. While there are laws in place that require tariff filing with the ICC, there is considerable debate both in the industry, at the Commission, and in the Congress as to whether such filing of tariffs serves the domestic surface transportation industry and the American public. With that debate continuing, with the possibility of that debate resulting in changes in the tariff filing portions of the law, with an albeit "inefficient, paper intensive, and operationally costly" current system in place, and with differing opinions from the Commissioners on which direction to proceed, doing nothing and retaining the status quo is a path which some of the Commissioners may initially prefer until the debate on the issue subsides or becomes more conclusive. As long as the law is complied with and the majority of Commissioners are convinced that such is the case, this remains a viable alternative that should logically be included in this assessment of options available to the Commission.

2. Approach the Congress for a limited or partial moratorium on tariff filing while evaluating the future course of action.

While a "limited moratorium" has already been proposed by a majority of the Commission in a recent ruling, it has been very specific in nature and has not been applied across the entire tariff spectrum. Whether such broad based action as a moratorium on all tariff filing would be enacted by the Congress is a question of politics. The reaction of the Congress, or, for that matter, of the industry to such an action is beyond the scope of this report.

3. Approach the Congress for changes in the law

This approach is also included as an effort that may be considered by the ICC if indeed the Commission concludes that the current tariff filing requirements do not best serve the surface transportation needs of the nation. Approaches to the Congress could vary from requesting that the tariff filing requirement be repealed/modified to making adjustments in the statute that provides the Commission with the desired discretion to enact by regulation the necessary changes to the tariff filing process to meet, in the judgment of the Commission, the needs of the industry and the desired level of regulation. This is an area that would be driven by the expertise of the ICC Commissioners, their analysis of what level of tariff regulation best serves the regulated industry, and the subsequent enactment of the necessary adjustments to the statute by the Congress to provide the Commission with the empowerment it needs to proceed as it feels is prudent and responsible. Indeed, recent actions of the Commission either proposing or enacting moratoriums on tariff filing is further evidence that this approach may have the support of a majority of the Commission. Such action would provide relief to the tariff filers in the industry while providing the ICC with more time to review the situation and determine which course of action will receive the support of both the Congress and best serve the surface transportation industry.

It does not, however, address the immediate problem of the existence of the extremely large paper tariff data base and how it can be more efficiently maintained and stored, while its existence remains a requirement. An alternative approach to this challenge is outlined in the following option, and is supported as an interim approach by the Traffic Bureau of the ICC as outlined in their discussion paper on that subject, contained as Appendix II to this document.

4. Consider an elementary electronic imaging system with an equally elementary indexing capability

This avenue is included as an option because of the tremendous progress that has been made in the field of electronic imaging since the FMC study was completed in 1986. While this was not an option considered by the FMC, technology is now available that provides the ICC with an option to move forward on a relatively inexpensive basis [estimated at $500,000 to $1 million, depending on the extent to which existing and archived tariffs are included] to convert its current extensive tariff library to electronic format. Electronic imaging would accomplish this task by scanning the current documents in the library and, if considered necessary as a secondary effort, those in the archives for a required number of years, while at the same time converting any new filings as they are received to electronic format through this same technology.

Electronic imaging would involve two "dual operated" systems, one to image new tariffs as they are filed and a second to image those already received and in place in the tariff library. Each would "image" the existing paper tariff by the physical placement of that tariff in an electronic imaging machine, much like a xerox machine, except this system doesn't make a paper copy, but instead copies the tariff in electronic format and stores it on a disk is much the same manner as a computer or word processor. The transportation industry would continue to file the same paper tariffs they do today, the "imaging" would be performed by the contractor at the ICC or at the contractor's facilities, and the storage requirements of today's tariff library would be reduced from the current massive facility to a small reading room configured with viewing machines. The documents would be indexed and could be viewed by calling them up much the same as is done on a word processor or personal computer. While this system doesn't provide for the efficiency achieved through being able to file electronically, it substantially reduces storage space requirements, renders the filed tariffs more secure from alteration, and provides for their rapid retrieval, ease in electronic transmission, and added ease in location of a given document.

The current paper system would undoubtedly have to be maintained during this process until all necessary documents were in electronic format and the indexing system proved both usable and accurate. The advantages of such a system are its relatively low cost, yet the achievement of significant savings in the current physical library space costs, the savings in the storage of the archive copies, the greatly improved ability to accurately and expeditiously locate a given tariff through an automated electronic indexing capability, and the greatly enhanced security of the tariffs in a safe electronic "view only" environment which prevents their being altered by any outside source.

While proceeding with such a system would require at least an elementary feasibility study and cost-benefit analysis to ensure the optimum utilization of current state-of-the-art technology, the greatly reduced requirements and simplicity of such a system make such an effort relatively inexpensive and one that could be achieved in a relatively short period of time. This approach could serve as a future benchmark document from which to prepare RFP documents for the procurement process associated with an expanded capability system. While this system would provide none of the "state of the art" data manipulation capabilities, it would move the Commission significantly closer to a fully automated system in the future. Properly structured, the electronic imaging process would provide a basic system facilitating any future decision to move towards a more sophisticated electronic tariff filing system and would avoid the massive transition from paper tariffs to total automation all in one complex process. Exhibits

I and II appended to this report provide preliminary cost estimates and comparisons with other options, as well as a graphic comparison of requirements provided by each of those options. An immediate conclusion is that while electronic imaging is considerably less costly than the electronic filing options, it is also the least capable system by a large margin. Never the less, electronic imaging is an alternative worth pursuing.

5. FMC Option I - "An Electronic Filing Cabinet"

6. FMC Option II - "Standard Database System"

7. FMC Option III - "Standard Database System With Commodity and Geographic Codes"

These three options are listed together because all three are discussed in depth in the FMC Feasibility Study. Each has its own merits, going from least costly and least capable, to most capable and, therefore, more costly. Each is discussed in brief in the following paragraphs and a detailed analysis is contained in the FMC Study [Appendix I]. Exhibits I & II are also helpful in providing both a cost and a requirements comparison between the various systems.

5. * Electronic Filing Cabinet

This approach is a step up from the electronic imaging approach in that the electronic imaging system merely converts the current paper tariffs to electronic form by making an electronic image of the currently filed paper tariff and storing it in an electronically retrievable medium. While the electronic images are indexed to provide a methodology to locate specific tariffs, that index is much like the index of a book and the system uses that index to find a page in that book, or, in this case, a tariff. With the Electronic Filing Cabinet, tariffs are not filed as type on a piece of paper, but are filed electronically at the outset using a telephone and computer modem to send the tariff into a master computer "file cabinet" located at the ICC or at the contractor's facilities.

The mechanical process is one wherein the tariff filer prepares the actual tariff on their office word processor or personal computer in page format the way most tariffs are prepared today. The difference this system would make is that, while today, after the tariff is prepared in electronic format, current ICC tariff filing procedures has that tariff filer then "printing out" that tariff which was already in electronic format and physically mailing that paper tariff to the Commission. It is considered a step backward, in that the effort has already been expended to prepare the tariff in electronic format and that effort is diminished by then converting that "electronic format" to paper format in order to comply with today's ICC procedures for tariff filing. Under our "Electronic Filing Cabinet" option, the tariff filer would not convert the electronically prepared tariff to paper, but instead would, once the tariff is in the final version desired and ready to be sent to the ICC, simply dial up the ICC Electronic Filing Cabinet using his computer telephone modem, transmit the tariff in electronic format over the telephone wires, the transmission would be accepted by the ICC's Electronic File Cabinet, "inspected" by that machine for certain very basic tariff format compliance standards and, if those standards were met, the tariff would be accepted. No paper would have changed hands, but the tariff would now be on hand in the Electronic Filing Cabinet for use by the ICC and for access by the general transportation public through the ICC Tariff Library and public viewing rooms, or through the various tariff watch services and other third party tariff vendors. The agency gains over the imaging system in some basic internal processing functions such as tracking, tickler, electronic routing, workload and filing statistics, etc., as well as some limited computer-assisted conformity checking. It is a significant "step up" from electronic imaging, but at an equally significant increase in cost. As with electronic imaging, a technical feasibility study and cost-benefit study could be conducted to apply the specific state-of-the-art hardware and software requirements for ICC application, and it is from that study that accurate cost analysis data would be obtained. Preliminary budgetary cost estimates and a comparison of various system requirements are contained in Exhibits I and II appended to this report.

6. * Standard Database System

In a standard database system, a tariff is as easily filed through transmission over the telephone lines as when filing in the "electronic filing cabinet". The difference is that the tariff structure is totally different, moving from the old "page based format" to a "tariff line item format". A line item format in database configuration is filed the same as with the "electronic filing cabinet", with the tariff being prepared at the tariff filers office on their own word processor or computer, and then that data being transmitted via phone line to a master database at the Commission or the Commission's contractor facility. As the electronic transmission is received by the Commission's main tariff computer, it is checked for certain standard tariff technical standards and, if those standards are met as outlined in the computers checking program, the tariff is accepted. The main difference is that this tariff is structured with each commodity and price being a single line item, and with the commodity being in a particular commodity field and the price being in an associated price field, both in such configuration that the data can be readily manipulated by both the ICC, the tariff watch services, and other commercial entities to provide a broad range of information for analysis. The manipulation of the data at the ICC can be used to study industry trends, provide information to the Congress and OMB, and for other uses within the Commission's statutory mandate. The uses that can be made by commercial tariff and data services are driven by the needs of the marketplace and are virtually limitless in their parameters. The driving force is usually at what cost this information can be developed, at what price is it sold, and it's ultimate value to the purchaser. This system would also provide for moderate computer-assisted conformity checking and an accompanying ease of tariff change filing because the changes are limited to a simple change of a single database line item and the refiling of an entire page is no longer necessary. Various requirements and capabilities comparisons are available as Exhibit II, appended to this report.

As with the previous options, this approach entails an increase in system capability for both the general public and the government, and as such, is more costly to design, structure, and implement. Ultimate costs would be determined during the technical feasibility study and cost-benefit studies, although preliminary budgetary costs are outlined in Exhibit I to this report.

7. * Enhanced Database System with Commodity & Geographic Codes

This system is a "Bells & Whistles" upgrade of the previously discussed standard database system. The advantages are the "enhanced" ability of both the government and the private sector to engage in significantly more sophisticated data manipulation because of the "computer readable" alpha-numeric coding of commodities and geographic trade routes, origins and destinations. The ability of the agency to generate much more meaningful data both within the Commission and to other agencies, including the Congress, could result in considerable gains in "meaningful regulation" based on accurate data upon which to base decisions.

The mechanical "workings" of this option are quite parallel to those of the previous two "electronically filed" options in that the tariff is initially prepared by the filer on either a word processor or personal computer in order to have the tariff available for transmission in electronic format. The major difference with this option is that the main computer located at the ICC or at the ICC's contractor will be configured to perform much more sophisticated standards and conformance checks and will allow for considerably greater flexibility of operating and analysis options for the ICC staff at a minimal increase in initial hardware and installation costs and an almost insignificant increase in monthly Operations & Maintenance costs. Exhibit I, appended to this report, contains preliminary cost estimates which outline these comparisons.

In parallel with these added capabilities for the ICC itself, the ability of the commercial tariff and data services to provide much more complex and accurate data to the transportation industry greatly enhances their ability to better serve the industry and the industry's ability to access that data. The system would permit the retrieval of individual or multiple tariffs, scanning by a variety of keys and combinations, including commodity codes and geocodes [geographic codes for given pick-up and destination points], both within a single tariff or across tariffs. The bulk tariff data available to other agencies and commercial private sector third party information services would also be greatly enhanced, and could be done in bulk, using commodity codes, trade route codes, geocodes, or origin and destination codes, or any combination of all of these options. However, this enhanced system capability also results in greater system complexity, as well as accompanying larger development and procurement costs. The specific costs would have to be determined during the technical feasibility and cost-benefit study phase's described throughout this assessment report.

[Editors Note: While FMC Options II and III are more costly to develop, the actual storage size requirements of the database in the Option I Electronic File Cabinet are significantly larger; i. e., up to 50 times greater in size. This unique circumstance is driven by the physical limits of Option I, which follows the current paper intensive "page driven" system, where each change is required to be submitted with a complete page replacement for every change submitted. When accompanied by statute and regulation driven requirements to retain these full page changes for a period of years for legal purposes, and each change is a complete page submission, the system capacity to hold all those "pages of changes" is immense. For purposes of comparison, it is estimated that through the line item database format employed in FMC Options II and III, where only the line item has to be changed rather than the entire page, and thus only the line item has to be archived rather than the entire page, the size of the history or archive file needed for Options II and III is LESS THAN 2% OF THE SIZE OF THE HISTORY FILE NEEDED TO ACCOMMODATE THE REQUIREMENTS OF OPTION I. The net result is that FMC Options II & III, significantly more capable than the Electronic Filing Cabinet option, end up costing less over a five year operating period due to the much smaller storage size requirements of these options. Exhibit I, Preliminary Cost Estimates, appended hereto, outlines those budgetary estimates in Table Format.]

8. * A Combined FMC/ICC Shared System

This is a unique approach that has not been tried to any great extent before in independent regulatory or other federal government agencies, yet has all the advantages of giving the ICC a state of the art system for a fraction of the cost were the ICC to "go it alone". Its premise is as follows:

The FMC system should be in place and functioning within the next fiscal year. It will be the result of seven years of effort, hundreds of lessons learned, and countless suggestions from industry, government, and the Congress. It will have been fully tested in prototype form and implemented in sequential stages throughout the maritime transportation industry, including a variety of overlapping intermodal and multimodal entities that are also regulated by the ICC. The system "glitches" will have been identified and eliminated, either through the testing and prototype process or through the inputs of its "industry users" during start-up. It will be an "up and running, enhanced version" of a combination of options best described as somewhere between FMC Options II and III. And it will be an experienced system, with the system shortfalls identified and ready for correction, and a system ready to move forward to the next generation of hardware, software, and operating system enhancements. As a stand alone system, the FMC would have to budget and pay for all those upgrades as a single agency.

The ICC could, however, include in any system technical feasibility study it conducts, an option to participate as full partners with the FMC in a systems upgrade of the FMC system, to include the ICC tariffs with the same capabilities and enhancements as the FMC system. The actual filing process is no different than that described for the previous four options. Individual tariffs are still prepared at the offices of the filing parties on their own word processors or computers and, when ready to transmit, are transmitted electronically over telephone lines to the main receiving computer. Under this option, that computer could be on the ICC premises, at the FMC, or at the system contractor's facilities. The location of the actual receiving computer does not affect how the system works. The advantages are the sharing of both equipment purchase costs and monthly operations and maintenance costs, with the accrual of those cost sharing efficiencies benefiting both agencies. With each agency assuming its fair share of participatory costs, there would only be a need to purchase one total system at an equally shared cost-savings to both agencies. Preliminary cost estimates of this option as compared to the ICC "going it alone" are contained in Exhibit I to this report.

The basis for this arrangement would be a Memorandum of Understanding between the two agencies which outlined the responsibilities, authority and accountability of each agency and the amount of system capability to which each would have guaranteed access. As a preliminary to such an arrangement, the Chairmen of both agencies have been "unofficially" approached with the proposal that, should the ICC decide to move forward with tariff automation, and if such a system could be worked out to the financial and system capability advantage of each agency, in compliance with all government automation and procurement regulations and guidelines, would there be an interest in working toward developing such a Memorandum of Understanding. Both Chairman responded "yes".

This approach is not intended to suggest that the development of such a system or the accompanying agreement between the two agencies would not be without difficulty. However, if the net result is a "systems capability gain" for both agencies, a financial efficiency gain for the government and the taxpayers, and a significant improvement in how statutorily required tariff filing is received and processed by the responsible agencies, then it is an option certainly worth considering. It is recommended that this approach be included as an option in any technical systems feasibility study other than the most elementary approach to ICC tariff automation [i.e. elementary electronic imaging]. By so doing, if the question of tariff filing at the ICC ultimately evolves in the direction of more "state-of-the-art" automation, this innovative approach will have already been technically evaluated, the cost-benefit data available, and it can be included in the decision process regarding which automation approach to ICC tariff filing is the most beneficial to all parties involved in ICC tariff regulation.

IV. CONCLUSIONS AND RECOMMENDATIONS

This report has covered the circumstances as they presently exist at the ICC, the state of the automation industry and it's current ability to address the ICC's tariff automation challenge, a variety of options available to the ICC in confronting this situation, and several conclusions and recommendations concerning an appropriate course of action.

The following is a summary of the conclusions drawn and several recommendations which are meant to provide the ICC with a series of options that can bring the agency closer to the solution of a myriad of inter-related but separate issues all too often banded together under the common heading of "automated tariff filing". It is felt that each recommendation can be of value in resolution of the overall problem, but some need to be acted upon sooner than others, depending on what ultimate direction the commission decides to take. As the process unfolds, some options may be overtaken by events and will no longer be applicable. However, once the basic decision is reached as to whether to continue tariff filing or not, then the course of action becomes as simple as addressing each issue in due course and moving forward with a long range solution. Those conclusions and recommendations follow:

CONCLUSIONS

O The tariff filing format, structure, filing, processing and handling systems and procedures at both ICC and FMC are estimated to be 90-95% similar.

O The FMC study analysis, conclusions and recommendations have been proven to be valid during the past five years and are appropriate for general use in ICC tariff automation efforts.

O The tariff automation studies and associated documents prepared for the FMC are, because of the significant similarities of tariff structure and systems, in general, also applicable to the tariff filing operations at the ICC.

O Current technology provides for the cost effective automation of tariff filing at the ICC under a broad range of options.

O The most elementary application of tariff automation technology properly applied will result in tariff filing and processing efficiencies at the ICC.

o In-depth specific technical hardware and software systems cost estimates of the various tariff automation options available to the ICC are beyond the scope of this preliminary assessment and require the expertise of a professional technical systems integration firm.

o Tariff automation at the ICC can be accomplished in a timely and cost effective manner, depending upon the ultimate structure and degree of complexity of the system and the determination to develop an ICC stand alone system or to share an existing system with the FMC.

o Tariff automation in almost any form will significantly reduce the extensive ICC tariff library space, cost requirements, and archive storage costs.

RECOMMENDATIONS

o That ICC move forward as a matter of policy to determine the future role of the agency as the statutory repository for tariff filing under current law.

o If the decision is made to automate the current tariff library, that consideration be given to examining existing electronic imaging technology as an interim approach while conducting the necessary technical and cost-benefit study analysis of more sophisticated, longer range solutions.

O Because of the numerous documented similarities in FMC and ICC tariff filing systems, any detailed analysis of future automation considerations should include a review of the FMC study data contained in Appendix A-I, an analysis of the FMC system existing at the time, and the potential system efficiencies and cost savings to be realized utilizing an FMC/ICC shared system.

O The formation of a properly structured Industry Advisory Committee on Tariff Filing at the ICC would provide valuable, up-to-date "from the field" information for the commission to utilize in making judgments on future tariff filing and automation initiatives.

O Should the ICC decide to pursue any of the FMC related options, an "early-on" coordination effort with the FMC, including an initiative to catalogue the various steps the FMC performed its tariff automation process, would provide the ICC with a useful road map of which procedures worked, which didn't, and which need to be modified or added to complete the process.

O As a "hands-on" validation of the desirability or undesirability of the FMC system and its applicability to circumstances at the ICC, a representative sampling of ICC tariffs should be compiled and electronically "test filed" at the FMC by ICC staff. Results of this experience will provide valuable information and properly serve to guide the ICC and its staff in their evaluation of the FMC system as an option which has ICC applicability.

EXHIBIT I

PRELIMINARY COST ESTIMATES
($000)
ICC TARIFF AUTOMATION BUDGET ADDITIONS

OPTIONS	COSTS ONE-TIME COST	 MONTHLY O & M COST	TOTAL PRESENT VALUE
Retain Status Quo	None	Current Staff	Current Staff
Approach Congress [Both Options]	None	Dependent upon Ultimate Action	Dependent upon Ultimate Action
Elementary Electronic Imaging	1,000	25	2,836
FMC Option I For ICC	4,000	100	12,796
FMC Option II For ICC	5,000	90	10,593
FMC Option III For ICC	5,500	95	12,459
FMC/ICC Shared System [ICC Share]	2,250	55	6,282

Note 1: Costs may vary depending on hardware type and date of purchase. The above costs represent an average.

Note 2: Monthly O & M costs represent the monthly operations and maintenance costs to run the system. These costs may also vary depending on hardware type. The above costs represent an average.

Note 3: All present value numbers are calculated on an average over a period of five years with an annual increase of 10%.

Note 4: With the FMC/ICC Shared System, ultimate costs will be determined by the final configuration of the system, the level of retention of existing FMC equipment, and the degree to which each of the system capabilities are utilized by each agency. These figures represent a broad based equal sharing by each agency.

EXHIBIT I

EXHIBIT II

REQUIREMENTS COMPARISON

Requirements	Electronic Imaging	FMC Option I	FMC Option II	FMC Option III	ICC/FMC Sharing
TARIFF FILING					
Electronic Filing		X	X	X	X
--Line Prompts			X	X	X
--Full Screen		X	X	X	X
--Conformity Checks		X	X	X	X
--General Rate Filing Updates		X	X	X	X
--Electronic Mail		X	X	X	X
--Adequate Backup	X	X	X	X	X
TARIFF PROCESSING					
Electronic Tariff Receipt		X	X	X	X
Conformity Check					
--deterministic		X	X	X	X
--non-deterministic			X	X	X
Tickler Capability					
--Standard Reports		X	X	X	X
--Electronic Notices			X	X	X
Workload Tracking					
--Statistics Capture			X	X	X
--Integration with Electronic Routing				X	X
Routing					
--Standard Notices			X	X	X
--Electronic Notices			X	X	X

EXHIBIT II

EXHIBIT II

Page Two

REQUIREMENTS COMPARISON

Requirements	Electronic Imaging	FMC Option I	FMC Option II	FMC Option III	ICC/FMC Sharing
TARIFF RETRIEVAL					
Retrieve Current and Historical Tariff Data					
--Public, Public Room Access	X	X	X	X	X
--Public, Direct Access			X	X	X
--Public, Individual Tariff			X	X	X
--Public, Multiple Tariff			X	X	X
--ICC, Direct Access, All Tariffs	X	X	X	X	X
--ICC, Menu Driven Tariff Download			X	X	X
--ICC, plain-English query		X	X	X	X
Retrieve Data in Different Formats					
--Page	X	X			
--Elements [e.g., rates]			X	X	X
--Entire Tariff	X	X	X	X	X
Value Added Services					
--ICC	X	X	X	X	X
--Public ##					

= All value-added services to the public would be provided by third party private sector vendors, not by the government.

INTERSTATE COMMERCE COMMISSION

Bureau of Traffic

Tariff Imaging System Analysis

June 12, 1991

APPENDIX II

SELECTED DOCUMENTS FOR THE FORMATION AND OPERATION

OF

ADVISORY COMMITTEE'S IN THE FEDERAL GOVERNMENT

1. FMC Request For Consultation with GSA's Committee Management Secretariat under 41 CFR 101-6.1007. [Dtd. 4/9/85]
2. GSA Concurrence [Dtd. 5/2/85]
3. Binetti Memorandum [Dtd. 7/19/85]
    - o Letter of Appointment with waiver form
    - o FR Notice of Formation
    - o Four Charter-Filing Letters [See 101-6.1013]
    - o Charter

3. FR Notice of Formation and Announcement of Location of First Mtg.

4. Revised Charter [Formally filed on 12/3/85]

5. FR Notice Announcing Date & Agenda of First Meeting

6. Substitution of Member Documents [Dtd. 4/86]

7. Memorandum on Expiration of Committee [11/23/87]

Appendix III

JOINT FMC/ICC ELECTRONIC FILING SYSTEM

Mr. CARR. And again, there may be some important differences that would have to be accommodated in some manner.

But given the electronic world in which we exist today, there doesn't seem to be anything that can't be done if there is a will to do it. I think this subcommittee would be interested in supporting the investigation of a joint Federal Maritime/ICC electronic filing system, perhaps with each agency coming up with an appropriate cost share. Maybe we could encourage in some manner the two commissions at a technical staffing level to, in some manner, have joint discussions about the technical feasibility of such a proposal.

Of course, you want to make it as convenient to the filers as possible. I could readily imagine that there might be some problems in optimizing the time delay on filing electronically between the two different modes. But if we're going to be intermodalists, at least in terms of operating systems, we really ought to have a one-stop shop where people can go to learn what shipping costs are.

We really ought to get the barge traffic in on this, too. There ought to be a way to make sure that at least information on the price to ship goods comes as easily and seamlessly as possible. That is achievable.

Mr. CARR. For the record, provide a reaction to the proposal concerning a joint electronic filing system between the FMC and ICC.

[The information follows:]

The Commission's staff has followed closely the development of the FMC Automated Tariff and Filing Information System and Chairman McDonald has visited and observed the operation of the FMC system. Many of the issues we will address in the re-opening of Ex Parte No. 444 will be similar to those dealt with by the FMC and we expect to benefit from that agency's experience.

There are, however, some major differences, such as the number and types of carriers regulated, the various types of rates published, and the codes and formats used by domestic carriers. Further, the FMC system is not yet fully operational. With input from the domestic carrier industry, as expected in the re-opened Ex Parte No. 444, we will be better able to determine if the FMC system can be adopted for domestic transportation tariff filing systems.

Mr. CARR. We have a large number of issues to go over with you. Most of them we will ask for the record in the interest of time.

Ms. MCDONALD. All right.

UNDERCHARGE CLAIMS

Mr. CARR. I would like to discuss the undercharge claims. That is a big and very hot issue. Almost every Member of Congress has been contacted by a shipper with a tale of woe. A number of those Members of Congress have contacted this Member of Congress thinking that perhaps we might be able to help with the solution.

I would like to fill our record with some questions and answers today in this area and, then, we will ask for answers to the remaining questions for the record.

Do you have a current estimate of the total amount of undercharge claims pending now?

Ms. MCDONALD. In dollar amount, Mr. Chairman?

Mr. CARR. Yes.

Ms. MCDONALD. Our offices have estimated it at $32 billion, when you consider the interest and the claims that are out there.

UNDERCHARGE CASES

Mr. Carr. How many undercharge cases are currently pending before the Commission?

Ms. McDonald. We have 250 rate reasonableness cases pending, and we are anticipating more referrals from various jurisdictions. We think we might get up to 370,000. We would, of course, try to handle those in efficient ways, but that gives you an indication of how many contested issues there are here.

Mr. Carr. Is this 370,000 shippers or 370,000 shipments?

Ms. McDonald. These are cases of individual shippers that would be referred here.

Mr. Carr. Do you have any idea how many shippers are involved potentially?

Mr. Rush. That is roughly 370,000 shippers. Usually when the lawsuit is filed, it is for all claims against the shipper.

Mr. Carr. So, it is 370,000 shippers, some of which have more than one case, right?

Ms. McDonald. Yes.

Mr. Carr. I am trying to get the number of shippers and cases. How many cases do you think there are?

Mr. Rush. There are 370,000 shippers. In some cases, there are instances where as many as 500 shippers have been sued in a single case. So the best estimate we can give is looking at the number of shippers against which lawsuits have been brought, and that is the 370,000 figure.

We know there are 32,000 lawsuits filed by P*I*E and about 1,000 lawsuits filed in TRANSCON where huge numbers of shippers have been combined.

[Further elaboration for the record:]

UNDERCHARGE CASE ESTIMATES

There are a substantial number of undercharge actions filed by the trustee of Transcon Lines, from which the Commission could expect to receive a number of undercharge claims.

In April 1992, the trustee of Transcon Lines filed a motion with the bankruptcy court requesting authorization to file omnibus complaints (instead of individual complaints against each shipper against whom he sought to collect undercharges).[1/] His stated justification for the request was that he anticipated filing claims against as many as 340,000 shippers. The trustee explained that the costs of filing that many individual complaints would be prohibitive (the filing fees alone would exceed $4.5 million), and that the burden on the court's docket would be immense.

The omnibus complaint system followed upon the initial filing of individual complaints seeking to recover approximately

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[1/] Specifically, the trustee proposed to file two sets of 24 omnibus complaints. The first set would be restricted to claims based on the loss-of-discount and shipper code issues which were the subject of our enforcement action against him, and thus were subject to the Ninth Circuit's modified stay order. The second set would assert all other unrelated claims. Each set would name shippers with names beginning with a single letter of the alphabet with XYZ deemed to be one letter.

The court approved a modified version of this proposal, authorizing the trustee to file multi-defendant complaints, ten for each letter of the alphabet (with XYZ as one letter), without summons, for a total of 462 complaints. A sample omnibus complaint is attached for information (**Attachment A**).

$23 million. Taken together with the omnibus complaints, the Transcon trustee, according to various spokespersons, seeks to recover in excess of $1 billion.

The next largest group of pending complaints for which we can expect court referrals are those filed on behalf of P*I*E. According to various court papers, the trustee of P*I*E has filed some **32,000** adversary proceedings, seeking to recover around $1.5 billion in claims.

There are many other carriers (most of whom are bankrupt) that have brought undercharge claims for past shipments. A news release from the Transportation Claims and Prevention Council, issued last May 1992 (**Attachment** B), listed 203 carriers which had filed claims against shippers based solely on Maislin-type negotiated, but unfiled, rates. The Commission's Office of Tariffs recently compiled a list of 222 motor carriers that it knows have made undercharge claims against shippers based on inquiries it has received from such shippers (**Attachment C**). However, the Commission does not know how many such claims each carrier has made, how many it has sued to collect, and how many such suits remain pending.

Therefore, to be able to attempt an estimate, Commission staff recently conducted a telephone survey of 22 bankrupt carriers (besides Transcon and P*I*E) with whose claims we are most familiar (**Attachment** D). Staff ascertained that those 22 carriers had an aggregate of approximately **1,100** undercharge claims pending (**Attachment** D). If those numbers (an average of

50 pending claims per carrier) are representative of the other carriers listed in Attachment B, then the Commission could conservatively estimate that there may be at least **10,150** pending undercharge claims.

In a recent letter to Congressman Shuster of the House Committee on Public Works and Transportation (**Attachment E**), Bill Augello, Executive Director of the Transportation Claims and Prevention Council, who probably has as good a basis as anyone for estimating such a figure, used an estimate of **500,000** individual rate reasonableness cases which may be submitted to the Commission unless undercharge legislation like H.R. 1710 is enacted.

Attachments

Attorney or Party Name, Address and Telephone Number

JOSEPH L. STEINFELD, JR. ROBERT B. WALKER JOHN T. SIEGLER SIMS, WALKER & STEINFELD PC 1275 K St., NW, Suite 775 Washington, DC 20005 (202) 842-1741	GREGORY S.ABRAMS State Bar No. 096759 A.S.K. FINANCIAL 18607 Ventura Blvd. Suite 208 Tarzana, CA 91356 (818) 609-9268

Attorneys for Plaintiff

FOR COURT USE ONLY

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:

TRANSCON LINES,
Debtor

Chapter 7 CASE NUMBER
LA-90-10680-RR

ADVERSARY NUMBER:
AD-92-03330-RR

LEONARD L. GUMPORT, CHAPTER 7 TRUSTEE
Plaintiff

v.

WROUGHT ORIGINALS, et al., (WOODS WIRE PROD.),
Defendant

(The boxes below are for the Courts Use Only - Do Not Fill Them in)

ALIAS SUMMONS AND NOTICE OF STATUS CONFERENCE

TO EACH OF THE DEFENDANTS ON THE ATTACHED LIST: A complaint has been filed by the Plaintiff against you. If you wish to defend yourself, you must file with the court a written pleading, in duplicate, in response to the Complaint. You must also send a copy of your written response to the parties shown in upper left-hand corner of this page. Unless you have filed in duplicate and served a responsive pleading by MAR 15 1993 the Court may enter a judgment by default against you for the relief demanded in the Complaint.

A Status Conference on the proceeding commenced by the Complaint has been set for:

Hearing Date: April 16, 1993 Time: 9:00 a.m. Courtroom: 1365 Floor: 13th

Location: 255 East Temple Street, Los Angeles, California 90012

PLEASE TAKE NOTICE that if the trial of the proceeding is anticipated to take less than two (2) hours, the parties may stipulate to conduct the trial of the case on the date specified, instead of holding a Status Conference. Such a stipulation must be lodged with the Court at least two (2) Court days before the date set forth above and is subject to Court approval. The court may continue the trial to another date if necessary to accommodate the anticipated length of the trial.

Date of Issuance: FEB 12 1993

DUPLICATE

Frank E. Goodroe
Clerk of the Bankruptcy Court

By: Evelyn Brandt Ricci
Deputy Clerk

In re: TRANSCON LINES
Case No. LA-90-10680-RR
Gumport v. Woods Wire Prod.

Adv. No. AD-92-03330-RR

PROOF OF SERVICE BY MAIL [Bankruptcy Rule 7004]
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a citizen of the United States and a resident of the County aforesaid. I am over the age of 18 years and not a party to the within entitled action. My business employment address is 18607 Ventura Boulevard, Suite 208, Tarzana, California. On the date indicated next to my signature below, I served the foregoing documents described as:

1. ALIAS SUMMONS AND NOTICE OF STATUS CONFERENCE
2. COMPLAINT FOR FREIGHT CHARGES
3. JOINT STATUS REPORT (DRAFT)

on the interested parties in this action by placing true copies thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Tarzana, California, addressed as follows:

Office of the United States Trustee
221 N. Figueroa Street
Suite 800
Los Angeles, CA 90012

Joseph L. Steinfeld, Jr., Esq.
SIMS, WALKER & STEINFELD, P.C.
1275 K Street, N.W., Suite 775
Washington, D.C. 20005

Officer, Managing Agent, Or Legal Agent
Woods Wire Prod.
984 Packer Way
Sparks, NV 89431

**** (By Mail) I caused such envelope with postage thereon, fully prepaid to be placed in the United States mail on the date indicated below.

**** (Federal) I declare that I am an employee in the offices of a member of the State Bar of this Court at whose direction the service was made.

Executed at Los Angeles, California on February 16, 1993.

Terri Lefebvre, Declarant
Khai McBride, Declarant

DUPLICATE

Joseph L. Steinfeld, Jr.
Robert B. Walker
John T. Siegler
SIMS, WALKER & STEINFIELD, P.C.
1275 K Street, NW. Suite 775
Washington, DC 20005
(202) 842-1741

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Tarzana, California 91356
(818) 609-9271

Attorneys for Leonard L. Gumport, Chapter 7 Trustee of the bankruptcy estate of Transcon Lines

LA90-10680-RR

Debtor: TRANSCON LINES
JUDGE: Hon. R. Riblet - 666
TRUSTEE:
341A:
CHAPTER: 07 AD92-03[illegible]

FILED
05/14/92 08:08
CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIF.
DEPUTY: 021
REFEREN NO: LA1-01324

LA90-10680-

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

In re TRANSCON LINES Debtor.	CASE NO. LA-90-10680-RR CHAPTER 7 ADVERSARY NO. ________________
LEONARD L. GUMPORT, Chapter 7 Trustee of the Bankruptcy Estate of Transcon Lines Plaintiff, vs. WROUGHT ORIGINALS, and the other defendants whose names appear on Exhibit "A" lodged herewith and incorporated hereat, Defendant.	COMPLAINT FOR FREIGHT CHARGES

Plaintiff Leonard L. Gumport as Chapter 7 Trustee of the Bankruptcy Estate of Transcon Lines ("Plaintiff" and "Transcon," respectively) alleges, for a complaint against the named defendants, as follows:

Jurisdiction and Venue

1. The Court has subject matter jurisdiction of the claims asserted herein pursuant to 28 U.S.C. 157 and 1334, since these claims relate to a case arising under 11 U.S.C. 101, et seq., namely In Re Transcon Lines, Debtor, in a Chapter 7 proceeding pending in the United States Bankruptcy Court for the Central District of California as set forth in the caption above ("the Chapter 7 proceeding"). Plaintiff is informed and believes and on such basis alleges, that this is a core proceeding under the Bankruptcy Code, but to the extent it is non-core the Trustee consents to the entry of binding findings and judgment by the Bankruptcy Court.

2. The Court also has subject matter jurisdiction of the claims asserted herein pursuant to 28 U.S.C. 1337 because this action and the claims asserted herein arise under an Act of Congress regulating commerce, 49 U.S.C. 10761(a), and seek compensation to the successor-in-interest to Transcon Lines, a common carrier for interstate transportation ("Transcon") for freight and other charges as hereinafter alleged.

3. Venue is proper in this District under 28 U.S.C. 1409(a).

4. The defendants include the first named defendant in the caption and the other shippers and consignees whose names are attached to the exhibit appended to this complaint which is incorporated hereat and in the caption as if fully set forth in each place.

Facts Constituting Claims for Relief

5. Transcon was, prior to the filing of the Chapter 7 proceeding, a common carrier by motor vehicle which was authorized to transport general commodities between specified points in the contiguous United States.

6. Between May 1, 1987 and May 1, 1990, and on specific dates according to proof, Transcon performed motor common carrier freight transportation services ("transportation services") for the benefit of each of the defendants. Freight and other charges were incurred by each of the defendants, as aforesaid and according to proof, for the transportation services as prescribed by Transcon's then current valid tariffs on file with the Interstate Commerce Commission ("ICC"). Defendants have each failed to pay the full amount of the lawful charges incurred, which remain owing to Transcon according to proof.

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7. The defendants sued herein are shippers, consignees and other obligees of Transcon who are not currently named defendants in any other litigation filed on or before the date on which this complaint is filed concerning the claims for relief alleged herein. Each defendant, between May 21, 1987 and May 1, 1990, incurred charges for transportation services rendered by Transcon which aggregate more than $1,000.00 for which the aforesaid defendants have failed to pay the full amount therefore as prescribed by Transcon's lawful tariffs on file with the ICC by failing to pay the charges in their entirety or by obtaining, claiming or being granted a discount or special rate or price discrimination therefore and not being lawfully entitled thereto.

8. Plaintiff is informed and believes, and on such basis alleges, that the defendants did not make full payment because they were granted or obtained or claimed a discount or special rate or price discrimination therefore (when they were not lawfully entitled to the same) for one or more of the following reasons:

(A) The discounts were for "policy adjustments" (which are rebates not connected with tariff allowances), and such discounts were unlawful.

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(B) The discounts from lawful tariff rates were provided to shippers or other customers where the face of the freight bill relating to the specified transportation services shows that a third party is liable for the freight charges, and such discounts were not lawfully available to the payor under the shipper's tariff provisions.

(C) The discounts from lawful tariff rates were provided by virtue of "spot contracts," which were unlawful price rebates or concessions.

(D) The discounts from lawful tariff rates were provided to shippers or customers where the face of the freight bill relating to the specified transportation services shows that the shipment was subject to the full visible capacity/linear foot rules, thereby negating a tariff discount rate which would otherwise apply.

(E) The discounts from lawful tariff rates were provided to shippers where the face of the freight bill relating to the specified transportation services shows that the commodity shipped is not one identified in the shipper's discount tariff provision, and such discounts were not lawfully available

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(F) The discounts from lawful tariff rates were provided to shippers or customers where the face of the freight bill relating to the specified transportation services shows such transportation services were conducted on the lines of more than one carrier, and such discounts were not lawfully available.

(G) The special rates were provided to shippers or other customers where the face of the freight bill relating to the specified transportation services shows that the shippers or other customers were not members of the class or group of shippers or other customers entitled to the rates specified on the freight bill (including, without limitation, shipments wrongly purporting to be entitled to rates used by the United States Government), such specified rates being lower than those set forth on Transcon's lawful tariffs for the shippers or other customers of the same class or group, and thus not lawfully available to these shippers or other customers.

(H) The rate charged and/or paid by the shippers or other customers did not include a charge or payment for a notification fee as required under Transcon's tariff provisions.

(I) The transportation services provided were not made between direct points, as set forth in RMB 118 and itemized in Transcon's tariffs, thus negating the benefit of any discount to which the shippers or customers would otherwise have been entitled.

(J) The shippers or other customers failed to pay, either in full or part, freight bills for transportation services rendered.

(K) The goods shipped were not subject to any exemption provided in 49 U.S.C. 10526, and thus had to be shipped at full lawful tariff rates.

(L) The shippers or other customers failed to comply with all of the procedures set forth in Transcon's tariffs for receiving the benefit of a rebate or allowance for the loading and/or unloading of freight, and such allowances were thus not lawfully available.

(M) The shippers or other customers failed to comply with all the procedures set forth in Transcon's tariffs for receiving the benefit of a discount granted pursuant to a claim made by the shipper or other customer, and not shown on the face of the freight bill or bill of lading, thereby losing the benefit of such discount.

(N) The total weight of the goods transported exceeded the weight limit specified in the shipper's tariff and was thus not entitled to a discount.

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9. Plaintiff is currently unable to audit all of the files of all of the defendants named in this complaint due to the enormous number of freight bills involved and the enormous number of shippers and other customers of Transcon during the period between May 1, 1987 and May 1, 1990. Plaintiff is informed and believes, and on such basis alleges, that the named defendants are more likely than not to be indebted to plaintiff as set forth above, and plaintiff will not serve -- but instead dismiss -- any defendant named herein whom an audit determines is not liable on account of the facts alleged and matters set forth in paragraph 7, above.

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WHEREFORE, PLAINTIFF PRAYS FOR JUDGMENT AS FOLLOWS:

1. That this court enter judgment against the defendants sued herein for the principal sums due and interest, as the same are proven at trial;

2. For costs of suit herein;

3. For such other relief as the Court may deem proper and as may be appropriate.

Dated: May ____, 1992

SIMS, WALKER & STEINFELD, P.C.
Joseph L. Steinfeld, Jr.
Robert B. Walker
John T. Siegler

A.S.K. FINANCIAL
Gregory S. Abrams
Bar No. 96759

By Joseph L. Steinfeld, Jr. or
Robert B. Walker or
Gregory S. Abrams
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Please reply to writer

TRANSPORTATION
CLAIMS AND PREVENTION COUNCIL, INC.
WILLIAM J. AUGELLO, Executive Director/General Counsel

May 19, 1992

LIST OF 203 CARRIERS HAVING FILED UNDERCHARGE CLAIMS AGAINST SHIPPERS BASED ON NEGOTIATED BUT UNFILED RATES[1]

*AAA TRUCKING
*A & B TRANSPORTATION
*A.C.B. TRUCKING
ADAMS EXPRESS
*ADVANCE UNITED EXP'S, INC.
*A-LINE, LTD.
*ALLEGHENY FREIGHT LINES, INC.
*ALLSTATE
AMERICAN CARRIERS, INC.
*AMERICAN EAGLE LINES
*AMERICAN FRT. SYS., INC.
*AMES
*ANCAR
ANDERSON MOTOR LINES
*ARROW CARRIER CORP.
ATF TRUCKING COMPANY
*ATLANTIS EXPRESS
*ATLAS MOTOR FRT LINES, INC.
B.B. & B. TRANSPORTATION
B.D.L. TRUCKING
B.F. WALKER
*B.G.R. TRANSPORT
*B.J. MCADAMS, INC.
*BENDER & LOUDON MOTOR FRT., INC.
*BERMAN'S MOTOR EXPRESS
*BEST REFR'D EXP., INC.
BIGHAM SYSTEMS
*BOWMAN TRANSPORTATION, INC.
BRANCH MOTOR EXPRESS COMPANY
BREMAN'S EXPRESS COMPANY
BRIGGS TRANSPORTATION COMPANY
*BRINKE TRANSP. CORP.
BRITTON MOTOR SERVICE, INC.
*BROWN TRANSPORT TRUCKLOAD, INC.
*BULLDOG TRUCK'G OF GA, INC.
*BULLET EXPRESS
*C & H NATIONWIDE
CALIFORNIA MOTOR EXPRESS
*CAMPBELL SIXTY-SIX EXP., INC.
*CANNY TRUCKING COMPANY, INC.
CARAVAN REFRIGERATED CARGO
*CARGO, INC. (Sioux City, IA)
CARLEPIED TRANSFER
CAROLINA MOTOR EXPRESS, INC.
CATAWABA VALLEY MOTOR LINES
*CERTIFIED CARRIERS OF AMERICA
CHIEF FREIGHT LINES
CLAIRMONT TRANSFER COMPANY
CLAXTON TRANSPORT
CIRCLE C TRUCKING
*COLISEUM CARTAGE COMPANY, INC.
*COLONIAL FAST FRT. LINES, INC.
*COLUMBIA NAVIGATION
COMMAND TRANSPORTATION
CONSOLIDATED CARRIERS
*CONTINENTAL CARRIER, INC. (MFC)
*CREST TRUCK LINES
*CROSS-E TRANSPORTATION
CW TRUCKING TRANSPORTATION
DDF TRANSPORTATION
*DAY'S EXPRESS
*DEDICATED TRUCKING CO., INC.
DEPENDABLE CARTAGE & TRANS. CO.
DUDLEY TRUCKING COMPANY
DUGAS EXPRESS
DUNKLEY TRANSPORTATION
*E.E.X., INC.
EAGLE EXPRESS COMPANY
EASTERN OREGON FAST FREIGHT
EAZOR SPECIAL SERVICES, INC.
*EMPORIA MOTOR FREIGHT, INC.
*EXPRESS FREIGHT LINES
*EXPRESS TRANSPORTATION COMPANY
FELDSPAR TRUCKING COMPANY
*F.P. CORPORATION
*FOY TRUCKING
*FREIGHTCOR SERVICES, INC.
G.M.W., INC.
GATEWAY TRANSP. CO., INC.
GLENDENNING MOTORWAYS, INC.
GORDON TRANSPORTS, INC.
*GUTHMILLER TRUCKING
HAGEN, INC.
*HALLS MOTOR FRT. TRANSIT CO.
HALLS SYSTEM, INC.
*R.L. HARRISON TRUCK'G CO.
HAWKEYE REFRIGERATED
*HIGHWAY EXPRESS, INC.
* H.M.X.
* HOLMES TRANSPORTATION
*HORN'S MOTOR EXPRESS
I.C.X.

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[1] Carriers marked with * indicate TCPC Joint Defense Group

I.M.L. FREIGHT, INC.
INTERMODAL TRANSP. SVC.
INTERSTATE MOTOR FREIGHT SYST.
INDIANHEAD TRUCK LINES
INF, LTD.
INMAN FREIGHT SYSTEMS
INT'L DIST. CENTERS, INC.
INT'L FREIGHT IMPORTERS
•JONES TRUCK LINES
•KEYWAY TRANSPORT, INC.
•LEE WAY MOTOR FREIGHT, INC.
•LIFSCHULTZ FAST FREIGHT, INC.
•LIFSCHULTZ FAST FREIGHT CORP.
LOUIS PRICE TRUCKING
•LYONS TRANSP. LINES, INC.
MAISLIN INDUSTRIES, U.S., INC.
•MANLEY TRUCK LINES, INC.
•MCLEAN TRUCKING COMPANY
MERCHANT STOR-DOR FRT. SYS., INC.
MERCURY FREIGHT LINES, INC.
MID AMERICAN LINES, INC.
•MILNE TRUCK LINES, INC.
•MISTLETOE EXPRESS SVC, INC.
MOTOR FREIGHT EXPRESS, INC.
•MTI TRANSPORT
•MURPHY MOTOR FRT. LINES, INC.
NEW ULM FREIGHT LINES
•NOERR MOTOR FREIGHT, INC.
•NORTHEAST CARRIER
•OBSERVER TRANSP. CO., INC.
•ONEIDA MOTOR FREIGHT, INC.
ONE-WAY CARTAGE SYSTEM
ORSCHELN BROTHERS TRUCK LINES
•OVERLAND EXPRESS, INC.
PENNCO TRUCKING
•PENEREX CARPET SERVICES, INC.
PERKEL REFRIGERATED
PERRY MOTOR FREIGHT, INC.
PHIARA CONSOLIDATION SVC.
•P.I.E. NATIONWIDE, INC.
•PIERCESON TRUCKING
•PILOT FREIGHT CARRIERS
•PIRKLE REFG. FRT. LINES
•QUINN FREIGHT LINES
•R.L. HARRISON TRUCK'G CO.
•R.W. JOYCE TRUCKING
RAPID FREIGHT SYSTEM
•REBEL MOTOR FREIGHT, INC.
RED BALL, INC.
REGAL TRUCKING COMPANY
RFI TRANSPORT, INC.
•RISS INTERNATIONAL CORP.
•RITTER TRANSPORTATION, INC.
ROBBINS TRUCK LINES, INC.
ROBINSON TRUCK LINES, INC.
ROSE FREIGHT LINE
•ROSE WAY FREIGHT
RTC TRANSPORTATION, INC.
•SABER TRANSPORT
•SAM TANKERSLEY TRUCKING
•SANTA FE TRAIL TRANSP. CO.
SAVAGE BROTHERS
•SCHMIDGALL TRANSFER, INC.
•SHARM EXPRESS, INC.
SILVER WHEEL FRT. LINE, INC.
•SILVEY REFRIGERATED
•SMITH TRANSFER
•SMITH TRANSPORT
S & W FREIGHT LINES
•SOONER TRANSP. SVC., INC.
SOUTHWEST DELIVERY, INC.
•SOUTHWEST MOTOR FREIGHT
•SPECTOR RED BALL
•SQUAW TRANSIT COMPANY
•STERLING TRANSIT
•STEVE D. THOMPSON TRUCKING
STREICHLER NORTH RIVER
•SUBURBAN MOTOR FREIGHT, INC.
SUPERIOR TRANSPORTATION, INC.
SUTCO TRANSP.
•SYSTEM 99
TAYNTON FREIGHT SYSTEMS, INC.
•THRASHER
•TIME - DC
TITAN TRANSPORTATION, INC.
•TOBLER TRANSFER, INC.
TOTAL TRANSP. TRUCK'G, INC.
•TRANSCON LINES
TRANSPO INTERNATIONAL, INC.
•TRANSPORTATION SYS. INT'L., INC.
TRI-STATE TRANSPORTATION
•TRUE TRANSPORT
TUCKER FREIGHT LINES
•TWIN CITY FREIGHT, INC.
•TWIN CONTINENTAL
•UNITED SHIPPING COMPANY
•UNZICKER TRUCKING
•USA EASTERN, INC.
•USA WESTERN, INC.
•VANTAGE TRANSPORT, INC.
•WENHAM TRANSPORTATION, INC.
•WESCAR FREIGHT SYSTEMS, INC.
WEST COAST TRUCK LINES, INC.
WESTERN DESERT EXPRESS
WESTERN HARVEST CARRIERS
WILSON FREIGHT
L.C. WORLEY TRANSFER, INC.
YOUNGER TRANSPORTATION
YOWELL TRANSPORT
•ZEPHYR EXPRESS
•ZUREK EXPRESS

CARRIERS FILING UNDERCHARGE CLAIMS

A-Line, Ltd.	
A. N. Deringer, Inc.	
A.P.A. Transport	
AAA Cooper Transportation	
AAA Trucking Corporation of California	bankrupt
Adnace United	
ABF Freight System	
Acme Truck Line, Inc.	
Action Express, Inc.	
Air Container Transport, Inc.	
All Van Transportation	
Allegheny Freight Lines, Inc.	bankrupt
Alvan Motor Freight, Inc.	
American Freight Systems	bankrupt
Ancar Transport	
Anderson Trucking Service, Inc.	
ANR Freight System, Inc.	
Apex Trucking Co.	
Apple Transfer, Inc.	
Arkansas Freightways	
Armellini Express Lines	
Arrow Carrier Corporation	bankrupt
Arrow Transportation Company	
Arrowhead Express, Inc.	
Arthur H. Fulton, Inc.	bankrupt
Aspen Transportation Service, Inc.	
Atlas Motor Express	
Averitt Express	
B&G Rigging Co.	
B. I. Transportation	
B. J. McAdams, Inc.	bankrupt
Batesville Truck Line, Inc.	
Be-Mac Transport Co., Inc.	bankrupt
Bander & Loudon Motor Freight, Inc.	bankrupt
Berger Transfer & Storage	
Berman's Motor Express	bankrupt
BESL Transfer Co.	
BGR Transportation	bankrupt
Big Easy Transportation	
Bill Thompson Transport Ltd	bankrupt
BJ Transport, Inc.	
Bolus Freight Systems	
Boulevard Transit Lines, Inc.	
Bowman Transportation,Inc.	ceased operations
Brown Transport Corp.	bankrupt
Bulldog Trucking, Inc.	bankrupt
Bullock's Express	
C. R. England & Sons, Inc.	
Cannon Transportation	
Carolina Freight Carriers	bankrupt

Casket Distributors Inc.	bankrupt
Celadon Trucking Services	
Central Distribution Carriers, Inc.	
Central Freight Lines	
Central Transport, Inc.	
CF MotorFreight	
Chemical Leaman Tank Lines, Inc.	
Churchill Truck Lines, Inc.	
Cimarron Express, Inc.	
Coast Transportation System	
Colonial Fast Freight Lines, Inc.	ceased oprations
Colt Trucking	
Con-Way Central Express, Inc.	
Con-Way Eastern Express, Inc.	ceased operations
Con-Way Southern Express, Inc.	
Con-Way Southwest Express	
Consolidated Freightways	
Contract Freighters	
Country-Wide Truck Service	reefers only
Coy Cartage & Storage, Inc.	
Crescent Truck Lines	
Crouse Cartage Co.	
Custom Forwarding, Inc.	
D D F Transportation, Inc.	bankrupt
Day's Express, Inc.	bankrupt
Dewey Freight System	bankrupt
Direct Transit, Inc.	
Dittrich of Minnesota, Inc.	
Dixie Trucking Co., Inc.	
Eastern Inter-Trans Service	
Eastern Oregon Fast Freight, Inc.	bankrupt
Edson Express, Inc.	bankrupt
EEX, Inc.	
Eggleton Express, Inc.	
Estes Express Lines	
Express America, Inc.	bankrupt
Falcon Transportation Services	bankrupt
Freight Savers	
Frozen Food Express	
Full Circle Carriers, Inc.	
G. S. & S., Ltd.	
GAF Transport, Inc.	
Gator Freightways, Inc.	
Glacier Carriers	
Golden Arrow Freight Systems	
Good Transport, Ltd.	
Great Coastal Express	
Gross Common Carrier, Inc.	bankrupt
Guaranteed Overnight Delivery	
Half of the World	
Harris Transport Company	
Hi-Way Express, Inc.	bankrupt
Hiway Transfer	
Hillsboro Transportation	

Holmes Transportation, Inc.	bankrupt
Hunt Truck Lines	
Hyman Freightways	
Inter-Modal Transportation Services	
J. B. Hunt Transportation Company	
J. H. Ware Trucking, Inc.	bankrupt
Johnny Boyles Trucking Co.	
Jones Motor Co.	
Jones Truck Lines, Inc.	bankrupt
Jones Trucking Co.	
K&R Delivery, Inc.	
Key Way Transport, Inc.	merged
Kindle's Pick Up & Delivery	
Kingsway Motorways	
KMC Transport	
Kroblin Refrigerated Express	
Kroblin Transportation Systems	bankrupt
Leader Transportation, Inc.	
Legend Freight Systems	
Lifschultz Fast Freight, Inc.	bankrupt
Lyons Transportation Lines, Inc.	bankrupt
M. L. Young Motor Express	bankrupt
Manufacturers Distribution Corporation	
Marck Express	bankrupt
Matlack, Inc.	
May/Mar Trucking, Inc.	
McDaniel Transit, Inc.	
Merchants Fast Motor Lines	
Merchants Truck Line, Inc.	
Middlewest Freightways	
Midland Transfer	
Midwest Motor Express	
Mitchell Trucking, Inc.	bankrupt
Motor Cargo, Inc.	
Motorway Freight lines	
National Transport Services	bankrupt
National Transportation, Inc.	
Navajo Express, Inc/	
New Penn Motor Express	
North Penn Transfer, Inc.	bankrupt
Northeast Carrier, Inc.	ceased operations
Northwest Transportation, Inc.	ceased operations
Oak Harbor Freight Lines	
Oddy's Moving & Storage	
Old Dominion Freight Line	
Olympic Express	
Overnite Transportation Co.	
P*I*E Nationwide	bankrupt
Pace Motor Lines	
Pee Dee Express	
Pegasus Transportation, Inc.	ceased operations
Penerex Carpet Services, Inc.	ceased operations
Peninsula Truck Lines	
Pilot Freight Carriers	

Prestera Trucking Co. of Virginia	
Preston Trucking Co., Inc.	
Quast Transfer, Inc.	
R&L Transfer, Inc.	
R-W Service, Inc.	
RAC Transport	
Ray Watson Company, Inc.	
RCA Truck Lines	
Risberg's Truck Lines	
Riss International Corporation	bankrupt
Riteway Services, Inc.	
RKF Truck Lines	
Roadway Express, Inc.	
Roberts Carrier Group	bankrupt
Rogs, Inc.	
Rutgers Ecpress, Inc.	
Ryder Bulk Transportation	
Saber Transport	bankrupt
Sal-Son Trucking Co.	
Service Transport, Inc.	
Simpson Transportation, Inc.	
Smith's Moving & Storage	
Smith's Transfer Co.	ceased operations
Southeastern Freight Lines, Inc.	
Southern Freight, Inc.	
Spirit Trucking	
St. Johnsbury Trucking	
Standard Trucking Company	
Steve D. Thompson Trucking, Inc.	bankrupt
Sunbelt Freight, Inc.	
Superior Fast Freight	
Suwak Trucking Co.	bankrupt
Theather Service Co.	
TNT Bestway	
TNT Dugan, Inc.	
TNT Freight System	
TNT Red Star Express	
TNT United Truck Lines	
Total Transport, Inc.	
Transcon Lines	bankrupt
Transcontinental Freight Systems	
Transport America	
T. S. C. Express	bankrupt
Turner Trucking Co.	bankrupt
U. S. Express, Inc.	
United Exposition Service, Inc.	
United Parcel Service	
Universal International Auto Transport	
Vallerie Transportation Services, Inc.	
Van Ohlen Trucking, Inc.	
Vantage Transport, Inc.	
Vermont Transit Lines	
Victory Wholesale Grocers	

Viking Freight System	
Virginia-Carolina Freight Lines	bankrupt
W. C. McQuaide, Inc.	
Ward Trucking	
Western Carriers, Inc.	bankrupt
Willig Freight Lines, Inc.	
Wilson Trucking Corporation	
Winning Run, Inc.	bankrupt
Yellow Freight Systems	
Zero Motor Freight, Inc.	
Zurek Express, Inc.	bankrupt

DATE: February 18, 1993

SUBJECT: Number of Pending Undercharge Cases

You asked that I canvas counsel for trustees of bankrupt motor carriers to estimate the number of pending undercharge cases. The following is a chart of my findings. Please note that many more cases were initially filed but have already been settled or otherwise completed. Although I was not able to get answers for several carriers, the number of pending undercharge cases for all carriers besides PIE and Transcon is relatively small, slightly more than another 1,000 cases. Even adding on a miscellaneous number of another 1,000 would bring the total to 2,000 cases. Clearly the bulk rests with PIE and Transcon.

CARRIER	TRUSTEE	JURISDICTION	NUMBER OF PENDING CASES
AAA Trucking	DiPasquale	D.N.J.	50
A-Line	n/a	n/a	50
American Freight System	n/a	D. Kan.	500
ATF Trucking	Pope	D. Ala.	n/a
B-J McAdams	n/a	D. Ark.	30
Bulldog	Cooper	W.D. N.C.	150
Edson Exp.	n/a	D. Colo.	6
Greenstreak	n/a	D. Minn.	12
J.H. Ware	Plan Com.		25
Jones	n/a	W.D. Ark.	n/a

Lifschultz	n/a	N.D. Ill.	3
Lyons Transp.	White	E.D. Pa.	n/a
McLean	Cooper	W.D. N.C.	100
Murphy Motor	n/a	D. Minn.	60
Overland Express	n/a	S.D. Ind.	n/a
PIE	Whitaker	N.D. Fla.	32,000
Quality	n/a	D. Iowa	n/a
Rose-Way	n/a	D. Iowa	50
Sharm Express	n/a	D. Minn.	5
Thompson	Vining	W.D. La.	25
Transcon	Gumport	C.D. Cal.	340,000
United Shipping	n/a	D. Minn.	6
Western	n/a	D. Idaho	20
Zurek Express	Ramette	D. Minn.	40

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Please reply to writer

TRANSPORTATION
CLAIMS AND PREVENTION COUNCIL, INC.
WILLIAM J. AUGELLO, Executive Director/General Counsel

COPY

April 12, 1993

The Honorable Bud Shuster
Ranking Minority Member
House Committee on Public Works & Transportation
2188 Rayburn House Office Building
Washington, DC 20515-3809

Re: H.R. 1710 - "Negotiated Rate Amendments of 1993"

Dear Representative Shuster:

You are to be commended for your clear explanation of the undercharge fiasco in connection with introduction of H.R. 1710, the "Negotiated Rate Amendments of 1993" on April 7, 1993.

Our Council has been attempting to help shippers, receivers, brokers and carriers defend against these unconscionable claims and suits for the past seven years. The Joint Defense Groups sponsored by the Council now have over 6,000 Defendants being sued for over $200 million. In the aggregate, there are approximately $3 Billion in pending undercharge claims, and more being filed daily as carriers close their doors in an attempt to "jump on the band wagon" and reap windfall profits created by the Supreme Court's myopic view of the filed rate doctrine.

Based on our analysis of these undercharge claims and the cast of characters responsible for them, it is our firm belief that your legislation is the most logical and equitable remedy to the problem. It is the only one which will be consistent with the Administration's economic goals.

TCPC\SHUS1710.LET

The Council holds these positions for the following reasons:

1. By permitting the I.C.C. to find in a general rulemaking proceeding such as they have in *Ex Parte No. MC-177* (Sub 1) that it is an "unreasonable practice" for common carriers to negotiate rates, charge and collect those rates but fail to file them with the I.C.C. in violation of the law, **the I.C.C. will be relieved of ruling on approximately 500,000 individual rate reasonableness cases.** Similarly, the logjam in the federal judicial system will be broken, and the bankruptcy courts will be spared the burden of administering these baseless adversary proceedings. Other legislative proposals would require a substantial increase in the federal budget to adjudicate every undercharge claim.

2. Other proposed legislative solutions, introduced prior to the Supreme Court's March 8, 1993 decision in *Reiter v. Cooper*, are no longer appropriate. S. 412, for instance, provides for a settlement option to relieve shippers of the risk of having a court deny their motion to refer the rate reasonableness issue to the I.C.C. or the risk of being required to prepay the claim to the carrier's estate. The Supreme Court has now confirmed that shippers need not prepay the claim before seeking the I.C.C.'s assistance, which in virtually every instance, has resulted in a dismissal of these claims. The Court has also confirmed the availability of a rate reasonable "defense" to these claims. **Shippers, therefore, should not be forced to settle claims for which they have lawful defenses!** It is morally wrong to legislate a settlement formula to dispose of invalid claims! This approach will merely perpetuate this racket and encourage the filing of baseless claims inflated by every conceivable tariff interpretation. Congress should not sanction this practice through legislation.

3. The examples of egregious undercharge claims resulting from a strict application of the "filed rate doctrine" are endless. The enclosed materials document how this anachronism works in the present regulatory environment. The situation cries for outright repeal of the filed rate doctrine.

   Consider, for instance, the A-Line, Ltd. case in Philadelphia, PA, where the U.S. Grand Jury has recently indicted the President of this motor carrier for counterfeiting the I.C.C.'s stamp and altering its tariffs for the purpose of authenticating millions of dollars of undercharge claims! This unscrupulous person was the only one apprehended, but can the I.C.C. certify that others have not similarly substituted rates in their filed tariffs upon which to base undercharge claims?

[illegible]

4. The most vocal opponent of a legislative remedy to this problem is the Teamsters Union which claims to have an interest, but in fact, will realize little as an unsecured creditor of some bankrupt carriers. H.R. 1710 is not a labor bill, and therefore, the perceived interest of the Teamsters is illusory. Shippers do not owe the money being sought and therefore, the Teamsters have no right to blackmail shippers into settling these claims as the *quid pro quo* for removing their hold on this legislation.

   It is unconscionable for the Teamsters to demand that shippers replenish the pension funds embezzled by former Teamster leaders for decades. A more informed and concerned public will not condone the Teamsters' domination over the legislative process despite its sordid history.

In conclusion, the Council strongly supports your statesman-like proposal to rid the nation of this plague. Please let us know how our membership can help you further in this endeavor.

Sincerely,

William J. Augello
Executive Dir./ General Counsel

WJA/fl

Enclosures

[illegible]

New York Teamsters Chief Agrees to Lifetime Barring

By SELWYN RAAB

Special to The New York Times

NEW YORK, April 12 — Abruptly ending a 30-year-career in which he became one of New York City's most politically influential labor leaders, Barry Feinstein has agreed to a lifetime banishment from all of his teamsters' union posts, Federal officials disclosed today.

The agreement with Federal investigators resolves noncriminal charges that Mr. Feinstein had embezzled and misused as much as $500,000 in union funds. The Government accused Mr. Feinstein of improperly using union money for a luxury apartment, travel and other personal expenses.

Under a 1989 court order, the Government monitors the teamsters union for possible abuses and can seek removal of teamster officials. The order was prompted by a civil suit in which the Justice Department asserted that the union had a long history of corrup- on and organized-crime influence.

Agrees to Resign

In the settlement, Mr. Feinstein has agreed to resign his main job as the president of a powerful municipal employees local and has pledged that he will never seek membership or employment in any teamsters union. He will also have to repay $104,000 to the municipal union, Local 237 of the International Brotherhood of Teamsters.

But Frank Mazza, an aide to Mr. Feinstein, said today that Mr. Feinstein might remain active in the labor movement in the New York area in a role unaffiliated with the teamsters. Business, political and labor leaders today described Mr. Feinstein's removal as a significant loss for the city. [Page B2.]

By agreeing to the permanent ban and dropping his resistance to the charges, Mr. Feinstein may have avoided the stigma of formally being found guilty of administrative charges of embezzlement, lawyers familiar with the case said. Under terms of the settlement — similar to a plea-bargaining arrangement in a criminal case — Mr. Feinstein did not admit nor deny the charges.

The lawyers noted that a formal finding of guilt might have barred or hurt Mr. Feinstein's chances of being em-'oyed by another union or labor group.

'He's not a happy camper," Mr. azza said of Mr. Feinstein's reaction to the agreement. "He would have preferred to stay on the job. He loves the teamsters."

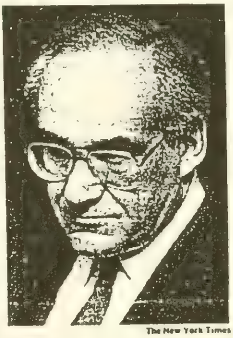
The proposed settlement was submitted on Friday to Judge David N. Edelstein of Federal District Court in Manhattan for his approval. Mr. Feinstein's resignation as the $200,000-a-year president of Local 237 will become effective as soon as Judge Edelstein authorizes the agreement. Lawyers on both sides said there was insufficient evidence to consider bringing criminal charges.

Federal investigators in September accused the 58-year-old Mr. Feinstein of leading a life of luxury at the expense of the local's 23,000 members and controlling the union through a puppet executive board. Charles M. Carberry, a court-appointed Federal 'estigator, contended that from 1984 1991, Mr. Feinstein's improper use of union funds included $300,000 for the rental and maintenance of a Manhattan penthouse apartment on East 57th Street, $100,000 for personal expenses and trips and $99,000 in interest-free loans.

Allegations Disputed

Disputing the allegations, Mr. Feinstein maintained at an administrative trial in December that all of the expenditures and loans had been approved by the local's elected executive board or had been authorized by union regulations.

Mr. Feinstein today declined to discuss his reasons for agreeing to the permanent ban, saying the deal still had to be endorsed by Judge Edelstein. Mr. Mazza, a spokesman for Mr. Feinstein and Local 237, indicated that because an earlier plea-bargaining arrangement had been rejected by an administrative judge, Mr Feinstein expected to be found guilty of some of the charges.



The New York Times

Barry Feinstein

A guilty finding, Mr. Mazza said in an interview, would probably have led to Mr. Feinstein's expulsion from the teamsters union for several years and would have prevented him from running for re-election to the presidency of Local 237 until 1999, at the earliest.

"He would just be hanging around for six years," Mr. Mazza said. "He may be resigning from the teamsters but not the labor movement."

Mr. Mazza said he expected that Mr. Feinstein would join another labor organization in an executive capacity, although he declined to specify where he might land.

Full Pension and Benefits

The agreement stipulates that Mr. Feinstein can collect his full pension and welfare and annuity benefits. Mr. Mazza and Nancy Stella, a spokeswoman for the International Brotherhood of Teamsters in Washington, said it was unclear today how much Mr. Feinstein would be entitled to in yearly benefits.

But Mr. Carberry and lawyers said Mr. Feinstein's pension was not at risk even if he had been found guilty of infractions after a full hearing. They noted that his pension was vested and that the court-appointed administrator of the union, Frederick B. Lacey, lacked the authority to reduce it.

The terms of the settlement, which were negotiated over the last few weeks, are much harsher than a compromise accord that Mr. Feinstein had arranged in December with Mr. Carberry. The first settlement called for Mr. Feinstein to be suspended for only one year from the presidency of Local 237 and to pay a $65,000 fine. Under those conditions he would have lost one year's salary of $200,000 but would have been allowed to return next year, to run for re-election to another five-year term as the head of the local.

In January, Mr. Lacey, without citing a reason, rejected the original settlement. Mr. Lacey, a former Federal judge, approved the second settlement last Thursday and sent it on to Judge Edelstein for final authorization.

Facing charges, a union leader steps aside.

Under the 1989 Federal court consent agreement with the international teamsters union, Mr. Carberry investigates accusations of wrongdoing and can bring charges. If Mr. Lacey upholds the complaints, he can recommend penalties.

Mr. Carberry, who served as the prosecutor in the case, described the settlement as fair — the same term he used for the agreement reached in December. He emphasized that the agreement also prohibited Local 237 from providing long-term housing for officials and interest-free loans drawn on unused vacation pay that Mr. Feinstein was accused of abusing.

Additionally, the local's executive board has agreed to disclose to its members all compensation and expenses paid to officials.

"The most important things for us," Mr. Carberry said in an interview, "members will for the first time have the right to know what their officers are being paid and how their money is being spent."

Founded by Father

Lanky, baldish and 6 feet tall, Mr. Feinstein, who favors custom-tailored suits, has cut an elegant figure around City Hall and at union halls. He has been linked to Local 237 almost his entire adult life. His father, Henry, founded the union local 40 years ago, and Mr. Feinstein has been its president since 1967.

Most of the local's members work for the city's Housing Authority and the Health and Hospitals Corporation. Despite the relatively small size of the local — representing 20,000 of 140,000 nonuniformed city employees — Mr. Feinstein has been a leading figure in municipal collective-bargaining negotiations.

He was one of the first labor leaders to support Mayor David N. Dinkins in 1989, and in the state political arena he was the chief lobbyist for an alliance of state and municipal unions that has doled out $500,000 in political contributions in the last seven years.

Until last year he headed the international teamsters union's public employees division and a regional teamsters group representing 150,000 members in New York City and its suburbs.

At the local's headquarters at 216 West 14th Street, near Seventh Avenue, most union members were startled by the news of Mr. Feinstein's resignation. "He represented everybody well," said one member, Marianella DeDrux. "He was good to us."

Another member, who spoke on the condition of anonymity, was not so sure. "Maybe it's time for a change," he said.

UNDERCHARGE COURT CHALLENGE

Mr. CARR. I understand the United States Court of Appeals just overturned the new ICC rules requiring bankrupt carriers to obtain preliminary approval from the ICC before seeking to re-bill shippers.

What was the court's rationale and what impact is this decision going to have on the ICC's ability to address undercharge claims?

Mr. RUSH. The rationale of the court was that we were adjudicating claims rather than simply passing on the appropriateness of seeking to collect amounts of money. It is a nice point and a close point. We, of course, felt that in asking for the right to pre-clear claims that rose out of our act, we were simply addressing at the outset the question of whether there was any validity to the claims asserted.

The problem is that so many claims settle before any court or anybody ever looks at them that if someone comes up with the theory—allegedly based on the Interstate Commerce Act—and submits bills, many small shippers simply become intimidated into paying either the amount asked or some slightly smaller amount.

Let me give you an example of that. In the P*I*E case, $125 million has been collected in settlements without the Commission or without a court ever having looked at what the basis of that claim specifically was.

Mr. CARR. I agree with you. I don't hear typically from large shippers. I heard from a number of small flower shop owners—mom-and-pop operations—and they get contacted by some big city lawyer. Suddenly, they are facing legal bills and pretty soon their attorney is telling them to give them some money to get rid of the problem.

Mr. RUSH. That is the tragedy of it. That $125 million has by and large been collected $5,000 and $10,000 at a pop. It is not big amounts from large shippers.

To answer the rest of your question, it definitely impairs our ability to deal with the undercharge problem at the outset and to protect those shippers against what we believe to be in many instances unjustified claims.

UNDERCHARGE LEGISLATIVE REMEDY

Mr. CARR. In the past, the ICC has expressed support for a legislative remedy regarding the undercharge issue. I would note that Senators Hollings and Exon have introduced S. 412. They call it the "Undercharge Equity Act." The legislation provides shippers with two options for settling undercharge claims. First, shippers could take their case to the ICC for determination of reasonableness of the disputed rates. Alternatively, shippers could use an expedited procedure based on a percentage settlement.

Do you support this legislation? If you don't, are there other legislative initiatives that you would support?

Ms. McDONALD. The agency has often gone on record as supporting various legislative remedies. Last year, we supported the previous bill offered by Senators Hollings and Exon.

Really, all the parties have to come together and work on a resolution to this issue. We want to support those efforts. It is going to be a difficult compromise and we want to help however we can with technical information.

Mr. CARR. Can you give a dollar figure? What is this particular problem going to cost the United States taxpayer to solve, at least with respect to your agency?

Ms. McDONALD. I don't have a sense of that, Mr. Chairman, but we could try to calculate such a thing.

Mr. CARR. It seems to be an enormous workload.

Ms. McDONALD. Certainly it is.

UNDERCHARGE LEGISLATIVE SAVINGS

Mr. CARR. I think we would like you—even if it is a crude number—to provide your best estimate because those of us who are interested in a legislative solution would like to be able to point to the savings that could be achieved by this solution. The savings is not just to shippers. It is to the United States Government as well.

[The information follows:]

The cost of the undercharge problem is the sum of the value of the claims plus the cost to the Government and the private sector of time devoted to litigating undercharge claims. The Commission has estimated the total value of claims at $32 billion. It is estimated that the Commission will commit approximately 19.5 staff-years to this problem in FY 1993 and 21.5 staff-years in FY 1994. The private sector costs to process and litigate the 370,000 undercharge lawsuits involve legal fees and time lost to those employees who process the claims and participate in the litigation. The dollar figure on this activity is unknown. Suffice it to say that the undercharge problem is imposing a monumental cost on the economy that is completely unjustified and susceptible to a legislative solution.

The legislative remedies proposed thus far all involve at least some savings to shippers and the Federal Government. S. 412, sponsored by Senators Exon and Hollings, would extinguish claims against some small businesses and might promote settlements of other claims. The Commission has supported efforts to craft legislation to solve this problem and stands ready to assist the Congress in this effort.

Mr. **Carr**. Have you talked to Secretary Pena about this particular issue?

Ms. **McDonald**. Yes, I have.

Mr. **Carr**. Is the Administration considering a legislative remedy? Do you know?

Ms. **McDonald**. I just have the feeling that they are considering it. The DOT staff is advising Secretary Peña further and I have not heard back from him since my visit with him about the undercharge problem.

Mr. **Carr**. Perhaps this subcommittee can also be helpful in encouraging the Secretary to come forward with a plan.

Other than just getting the interest of Members of Congress on these issues, are there any other barriers you can think of to obtaining a legislative solution? For example, are the court decisions problematic in fashioning a legislative solution?

Mr. **Rush**. In the court decisions where we have actually pursued litigated issues, we have been almost uniformly successful. The one setback, of course, was the attempt to come forth with an administrative legislative approach to the problem. The court said that we simply lacked that authority and that we were doing something that we had not been given authority by Congress to do.

Mr. **Carr**. Was an appeal made of that decision?

Ms. **McDonald**. We voted not to appeal because we felt that the court had well reasoned its decision and that we would be better off proposing a legislative solution here that would amend our authority. Also, we can consider changing our regulations to comply with the court's decision.

Mr. **Carr**. Will you be making a legislative proposal?

Ms. **McDonald**. If I can get three votes.

[Laughter.]

Mr. **Walden**. There shouldn't be any problem with that.

Mr. **Carr**. Mr. Durbin.

AGRICULTURAL COMMODITIES EXEMPTION

Mr. **Durbin**. I apologize for not being here earlier. I was in another subcommittee.

I have one question and I hope that I am not repeating something that has already been addressed.

We went through a pretty lengthy debate last year about imposing a moratorium on the exemption of certain agricultural commodities from ICC regulation. The net result of all the sound and fury was language in the conference committee report urging the Commission not to implement rules providing for further exemptions affecting agriculture in this fiscal year.

What is the status of your rulemaking in this regard and do you plan to comply with this congressional directive?

Ms. **McDonald**. I will try to comply, Mr. Durbin.

Mr. **Durbin**. What is the status of the rulemaking?

Ms. **McDonald**. The status of the rulemaking is still pending.

Mr. **Durbin**. You understand, I hope, the problem that we face with this issue.

Ms. **McDonald**. Yes, I do.

GRAIN TRANSPORTATION

Mr. **Durbin**. I think most people are unaware of the fact that 94 percent of country elevators which handle this grain are served by a single railroad so that if there is not some involvement through your Commission or some other source in rate making, farmers using those elevators are completely at the mercy of the railroads in terms of the rates being charged.

I take it from your testimony that at least for the remainder of this fiscal year you will not be—I will let you state it so that I don't put words in your mouth.

Ms. **McDonald**. As Chairman, I have a limited control over the agenda of my agency and I am giving priority to problems the industry brings to us for adjudication. I would not bring up that item, but I am only one vote on the Commission. If there were three votes to bring it up, it would see the light of day.

Mr. **Simmons**. She has two.

[Laughter.]

Ms. **McDonald**. But at this point, the staff is still working with the comments and that is where it is.

Mr. **Durbin**. We will watch that very closely. I hope that you will alert your fellow Commissioners that it did come up during the course of the appropriations hearing.

Ms. **McDonald**. Certainly, I will.

Mr. **Durbin**. Mr. Simmons.

Mr. **Simmons**. Mr. Durbin, you mentioned elevators. We had a co-op from Michigan, Mr. Chairman, come in last week. They are located in Breckenridge. They ship to Saginaw where the CSX Railroad takes it from Saginaw and goes to the southeast United States with their grain. This is a very large co-op with some 10 million bushels of grain.

The agricultural representative brought them over to us and I am happy to report to you that I asked the OCCA field staff—with the concurrence of the Chairman—to go out and look and see about these charges that they say will put them out of business. We're talking about something like 5 to 7 cents per bushel above what they would ordinarily charge. I told them to go out and look at it. Many times, when you send an investigator to go look, a railroad will do something just because you sent somebody. These are the kind of things we do in trying to determine the validity of what has actually happened without the person having come in with a formal complaint to us.

Mr. **Durbin**. Thank you very much. I am glad to hear of your awareness of this problem and your response to the conference committee report language.

Thank you.

Thank you, Mr. Chairman.

ELECTRONIC TARIFF FILING IMPLEMENTATION PLAN

Mr. **Carr**. Madame Chairman, last year, the Congress approved $200,000 for contract services to begin evaluation of the feasibility of standardized electronic tariff filing. The Subcommittee also requested that you prepare a 5-year implementation plan of action which would include specific milestones for the implementation of the electronic filing system.

What steps have you taken to implement that directive?

Ms. McDonald. Tony, would you comment on that?

Mr. Jacobik. Certainly.

Back in Fiscal Year 1991, we engaged Mr. Carey to study electronic tariff filing. Last year, Fiscal Year 1992, we engaged the General Analytical Corporation to do a study of electronic data management. Based upon that, we are going ahead, and we are engaging the Volpe National Transportation Systems Center to develop a plan based upon the GAC study.

The Carey study also recommended an initial stage of optical imaging as part of an interim step for electronic tariff filing. This is what we're going ahead with.

Mr. Carr. So you have the plan?

Mr. Jacobik. The Commission just received a plan yesterday and we are currently evaluating the recommendations of Volpe as to how to implement the plan.

I hate to admit this, but Volpe has indicated a Cadillac of a plan of about $1.9 million.

Mr. Carr. I'm from Michigan. We like Cadillacs.

[Laughter.]

Mr. Jacobik. Hopefully, after review of the plan and the requirements, we could either come up with a better estimate or evaluation of their recommendations in providing——

Mr. Carr. How much of the $200,000 has been obligated?

Mr. Jacobik. None of the $200,000 has been obligated at this time, nor has any of the $500,000 that the Subcommittee provided to us in the Fiscal Year 1993 appropriation for optical imaging equipment. Once again, it is prudent for us to look at this plan and to evaluate the recommendations and then proceed from that point. Clearly, we don't have sufficient resources this year to commit the full $1.9 million or whatever the amount. This is one of the reasons why we have added in the Fiscal Year 1994 request the additional $1 million for optical imaging equipment.

Ms. McDonald. So it has taken us longer, Mr. Chairman, than we would have liked to have gotten an overall strategy together. But the money can be utilized for optical imaging equipment which will secure the tariff file as we now have it and make it more accessible to the public than it has been previously in its paper state. And, it is a step on the road to a more sophisticated electronic tariff filing system.

Mr. Carr. Given that you admittedly are not quite ready to begin implementing the electronic tariff filing system, why was it that the Commission asked OMB for $5 million to begin its implementation?

Ms. McDonald. Because we had the breach of security of our tariff file—the paper file—where actual pages were substituted which would cause further undercharge claims. With only one copy of a paper file and people actually handling the documents, we realized the breach of security. The Committee authorized us to go forward with optical scanning of the file to make it secure and to deal with some of our space problems. It is just taking us longer than we thought.

But, we do have now a firm plan. We will do some bargaining with Volpe and try to get a little better price on our Cadillac, but we will devote all of the money you have given us to this and it could feed into a more sophisticated electronic filing system, should we be allowed to develop one.

Mr. CARR. OMB did not put the $5 million into the President's request.

Ms. MCDONALD. That's correct. They cut it off. That is why I was saying that I was hoping the industry might come forward with some options for us, that would allow us to develop more of a user fee-based system. Certainly, I will explore your idea that we might work with FMC and get the most cost-effective estimate out of a partnership with them.

Mr. CARR. You are aware that, typically, the shippers don't obtain the data directly from FMC. They go to third party vendors.

Ms. MCDONALD. More sophisticated manipulations of the basic data.

Mr. CARR. Apparently, there is an industry out there that would like the raw tape and they do value-added analysis of it. Then, they resell it.

The FMC is attempting a user charge here, although it is somewhat controversial.

Ms. MCDONALD. I have followed that situation.

Mr. CARR. Are you contemplating a user charge of some kind?

Ms. MCDONALD. I wasn't contemplating anything. In the rail area, we have done some joint data collecting operations with the AAR that have been successful and which our technical staff has filled in the breach between what we could do and what we needed to do to monitor the entire industry.

I thought perhaps the modal carrier industry could come forward with some creative solutions of that sort. I wasn't anticipating anything specifically. I just felt that they have the capability to do that, and that in light of the situation we now face, they might come forward.

Mr. CARR. It would seem to me that if you developed a system that was either part of or analogous to the FMC system that there similarly would be third parties who would be interested in helping to defray the costs through purchase of the tape.

Ms. MCDONALD. We have tariff watching bureaus now which provide tariff services to their members, and they are very sophisticated in utilizing our tariff room on behalf of their clients.

Mr. CARR. Are their clients charged for the service?

Ms. MCDONALD. Yes, they charge. And as I said, they are very sophisticated. Even though our room is not as organized as we would like to see it, they can find data in it. They are experts on it, and they do it for a large number of clients each week. We monitor the use of it.

OPTICAL SCANNING

Mr. CARR. Is the optical scanning primarily for the purpose of security?

Ms. MCDONALD. It is for security and also to make the data available. It can be available to any number of people at any one time. You just need more stations to access it, so it would be more accessible. Also, it would save room. We literally have floor to ceiling tariffs in a very large place and then a lot more shipped off into a warehouse.

Mr. CARR. When you scan these documents, do you save them as a graphics file?

Mr. JACOBIK. Yes. It is saved on an optical disk. One of the things, as the Chairman said, the public can access these disks if the access was provided to them. Also, optical imaging would have a minimal impact on tariff filings. For instance, electronic filing of tariffs probably would have more of a substantial impact. With optical imaging you could get the data very quickly and easily.

Mr. CARR. Is it contemplated that your optical scanning would also permit optical character recognition? In simple words, are the tariff documents saved as pictures or are they saved as text?

Mr. JACOBIK. They are saved as pictures, I think.

Ms. MCDONALD. That is my understanding.

Mr. JACOBIK. We have investigated a system that is currently in place with the Federal Highway Administration. That was one of the systems that, when we contracted with General Analytical, we went over and visited. I don't know what the Volpe plan recommends at this time. We just received their plan yesterday and we haven't had a chance to evaluate it. We could provide that for the record.

Mr. CARR. Given the ability of computers to manipulate pictures, what steps have you taken to assure the integrity of this?

Mr. JACOBIK. We don't have a system yet and that is one of the reasons why we really don't have any information—we will have to ask that question of the Volpe staff and evaluate that in evaluating the plan they have provided to us. We are going to pay a lot of attention to the security issue of the tariff filings and also the public accessibility.

Mr. CARR. I wouldn't think that there would be significant accessibility security issues, but I could envision somebody taking a document and manipulating it with a computer and altering it and showing it to a shipper.

Mr. JACOBIK. But with the public accessibility, the carrier or the shipper could actually go into our filings on the optical image and look for themselves and verify the information.

Ms. MCDONALD. And these watching services routinely do this for shippers.

FINANCIAL HEALTH OF TRUCKING INDUSTRY

Mr. CARR. Please tell me in a couple of words, if you would, about the overall status of the trucking industry.

Ms. MCDONALD. Our Office of Economics has given me data which suggests that the trucking industry has experienced a higher level of profitability this year than in the past. I am still very concerned over the number of bankruptcies that continue in the industry.

TRUCKING INDUSTRY EMPLOYMENT

Mr. CARR. How many people are employed in the trucking industry today as compared to 10 years ago?

Ms. McDonald. I may have to supply that for the record. I believe 4 million are in it today and I am not conversant with 10 years ago.

[The information follows:]

The Nation's trucking industry generates close to $300 billion in revenues, with the ICC-regulated sector representing just over a quarter of that total. Intrastate (including local) movements, private carriage, and other exempt movements comprise the rest.

Estimates of employment in the trucking industry vary widely. Some sources claim figures as high as 8 million persons. But this figure presumably includes numerous part-time workers. We believe that a reasonable estimate of total full-time industry employment today (including all non ICC-regulated private carriers) would be closer to 4 million. We have no comparable estimate for ten year ago, however, the U.S. Bureau of Labor Statistics (BLS) provides an indication of the trend in trucking employment excluding an undefined proportion of private carriers. BLS indicates that 1.38 million individuals were employed in trucking services in 1981 compared to 1.90 million in 1991.[1]

Unlike rail, where the past decade has seen significant declines in employment, the trucking industry has had employment growth over this period. And, according to Department of Labor estimates, long-term employment growth in trucking will continue to be strong through 2005. For one sector of the motor carrier industry, the for-hire trucking and warehousing sector (Standard Industrial Code (SIC) 42), the Bureau of Labor Statistics projected 410,000 new trucking industry jobs would be created from 1990 to 2005, with employment rising from 1.638 million to 2.048 million over this period.

Mr. Carr. I want to make sure that we didn't overlook something that we needed to discuss with you while you are here, but I think the rest of these questions can be answered for the record.

COMMISSION CHAIRMAN'S PRIORITIES

Mr. Carr. Chairman McDonald, as the new interim Chairman of the Commission, what are your priorities for the ICC in the year ahead?

Do you have any specific objectives that you want to accomplish?

[The information follows:]

As interim Chairman, I am emphasizing case adjudications. I believe it is incumbent upon the Commission to complete our casework in a timely manner. While policy rulemakings are important and will not be neglected, the Commission's first priority should be to process individual cases that have been brought before us.

One way of reducing the Commission's formal caseload is to encourage parties to work on informal solutions to their problems. I believe the ICC has a valuable role to play in helping parties to work out their differences in a non-adversarial way. One of my specific objectives is to foster more cooperation between the ICC and the parties that come before us through the mechanism of open meetings.

An example of this approach is a one-day question and answer forum which the Commission recently held in Ex Parte No. 347 (Sub-No. 2)—a proceeding to establish guidelines for determining maximum rail rate reasonableness for low-volume or infrequent shipments. The National Coal Association asked the Commission to conduct this workshop to explain more fully the technical aspects of the various rate methodologies proposed in the proceeding. Staff from the Association of American Railroads (AAR) also participated in the workshop and explained how AAR's proposed simplified stand-alone cost (SSAC) test worked. The workshop was so well received that we are sponsoring a follow-up workshop. The AAR has agreed to demonstrate its SSAC model at the Commission on April 28, 1993. Our Office of Economics will independently develop hypothetical examples of rail shipments for use by the AAR in demonstrating how the model works and the types of results it produces.

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[1] Source: U.S. Bureau of Labor Statistics, Office of Employment and Unemployment Statistics. These estimates are based on household surveys which count people whose primary job is in trucking services—including the self-employed and wage and salary employees. The number does not necessarily include all trucking warehouse and storage employees, who may be included in "Storage and Warehousing"; or employees in an estimated 19,000 companies whose primary business is not trucking, *i.e.*, private carriers.

AAR will use computer terminals to show how to access and run the model. The date for filing comments in the formal proceeding was postponed to accommodate the second workshop. I am hopeful that a consensus will be built among the parties through this joint effort.

TARIFF-FILING MORATORIUM

Mr. CARR. Last year, Commissioner Philbin proposed a 1-year moratorium on rate tariff filings as a first step toward the permanent discontinuation of tariff filings.

Have you had any discussion with the Administration or the Energy and Commerce Committee on this issue?

Do you have any plans to advocate this proposal this year?

[The information follows:]

I have not had any discussions with the Administration, Members of Congress, or Congressional staff members with regard to the tariff moratorium.

As Chairman, it is not my intention to advocate this proposal before the Congress. However, it is possible that individual Commissioners may do so and that one or several Commissioners could request that the Commission vote on this issue once again.

TARIFF ENFORCEMENT STAFFING

Mr. CARR. Many of the current undercharge disputes are the result of ineffective review and enforcement of filed tariffs. Congress provided nine additional FTEs to the Office of Tariffs last year to improve the monitoring and enforcement of tariff-filing requirements.

How many of the additional staff have been hired to date?

[The information follows:]

Four of the added FTE positions have been filled. Candidates for the balance of the positions will be selected in the next several weeks. Pending Office of Personnel Management clearance, we anticipate all positions will be filled during May 1993.

Mr. CARR. When do you anticipate that you will be fully staffed in this area?

[The information follows:]

We expect to be fully staffed in this area by the end of May 1993.

Mr. CARR. What is your staffing proposal for tariff enforcement in fiscal year 1994?

[The information follows:]

We plan to assign 13 staff-years to tariff enforcement in FY 1994. Additionally, as workloads fluctuate and time permits, other staff in the Office of Tariffs will augment our increased tariff enforcement efforts.

TARIFF-FILING COMPLIANCE

Mr. CARR. Congress also directed the ICC to reconsider certain policies concerned with range tariffs, shipper-coded tariffs, and tariff indexing to facilitate the use and understanding of filed tariffs.

What steps have you taken to comply with these directives?

[The information follows:]

There are currently three separate Commission proceedings involving range tariffs (Docket No. 40887, *Range Tariffs of All Motor Common Carriers—Show Cause Proceeding,* (not printed), served January 5, 1993), shipper-coded tariffs (Docket No. 40888, *Reconsideration of Special Tariff Authorities Authorizing the Publication of Customer Account Codes in Tariffs,* (not printed), served January 5, 1993), and tariff indexing (Ex Parte MC-211, *Revision of Tariff Regulations—Indexes,* (not printed), served January 5, 1993). Comments have been received and the record is now under review by staff. We anticipate reaching decisions on all three proceedings by the end of May 1993.

ELECTRONIC TARIFF FILING

Mr. CARR. In last year's budget request, Chairman Philbin indicated that if Congress did not act to eliminate the tariff-filing requirements, the agency needed to move aggressively to convert the current system of paper tariffs into an electronic format and begin long overdue modernization.

What is the Commission's current position with regard to the benefits and costs of moving forward with electronic tariff filing?

[The information follows:]

The Commission voted in open conference March 23, 1993, to reopen Ex Parte No. 444, *Electronic Filing of Tariffs*, for the purpose of receiving public comments on possible approaches to electronic tariff filing as well as to receive public comments on the continued usefulness of the motor carrier tariff filing system. We are allowing 60 days for comments. The comments should address the costs and benefits of moving forward with electronic tariff filing. We will be in a better position to assess the costs and benefits after reviewing this record.

The decision on Ex Parte No. 444, served April 16, 1993, follows.

EC

SERVICE DATE
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INTERSTATE COMMERCE COMMISSION

EX PARTE NO. 444

ELECTRONIC FILING OF TARIFFS

Decided March 23, 1993

The Commission reopens this proceeding to obtain comments on a data base-oriented electronic tariff filing (ETF) system that will support automated functions such as electronic data interchange (EDI) and rate analyses. This type of ETF system, which would require development and use of a variety of standard formats for tariff information, would permit tariff automation, and allow the agency to process tariff filings more efficiently. The Commission also invites comments on its decision in Ex Parte No. 444 to substitute general tariff standards for many of the detailed publishing regulations previously established for printed tariffs.

DECISION

BY THE COMMISSION:

On January 30, 1989, we issued a decision in this proceeding revising our tariff filing regulations to simplify the rules for filing printed tariffs and to allow carriers to file their tariffs electronically. On March 10, 1989, in response to a request filed by various motor carrier interests, we stayed our decision pending resolution of the issues raised in petitions seeking reopening and reconsideration. The thrust of the petitions, which were filed by motor carrier groups and by certain shipper interests, is that to ensure a high level of functionality the Commission should establish specific, industrywide standards before permitting ETF.[1] The petitions were opposed by various railroad interests, which urged the Commission to lift the stay and allow rail carriers to implement ETF immediately.[2]

On October 13, 1989, we lifted the stay, effective November 8, 1989, insofar as it applied to rail carrier tariffs. Thus, rail carriers have been authorized to file tariffs electronically for just over three years. The stay is still in effect for non-rail carrier tariffs.[3]

Although our decision removed the barriers to ETF, it did not define, or put in motion a program to define, a standardized, data base-oriented system that would support important capabilities achievable through automated systems, such as EDI, automated rate quotation and automated rate analyses. Our decision does not preclude carriers from offering such systems, but it does not mandate their inclusion either. Our current ETF rules merely allow individual rail carriers to implement ETF options that serve their individual purposes. Significantly, they do not mandate a standard format for ETF systems which may be necessary if many of the desirable automated capabilities are to be achieved.

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[1] Several of the motor carrier and shipper interests also objected to the elimination of detailed regulations for the publication of printed tariffs.

[2] A petition to intervene containing comments supporting our decision was also filed. In light of our request for further public comments, the petition to intervene is unnecessary.

[3] Although the railroad industry supported our decision, very little use has been made of the ETF authorization to date. One rail carrier has filed two petroleum products rates tariffs on computer diskettes, and another has provided dial-up access to a grain rates tariff. None of these electronic tariffs supports EDI or automated rate analyses, and all of them continue to be filed in printed form (as required by our regulations).

In the committee reports accompanying the Commission's FY 1993 appropriations bill, Congress requested the Commission to begin more aggressive implementation of ETF. To respond to the concerns of the Committees, and in light of the approximately four years that have elapsed since our last comprehensive look at ETF, we believe it is appropriate to reopen the matter for further consideration.

We seek another round of public comment regarding our possible development of a comprehensive ETF system, and the form that such a system might take. We welcome comments on all aspects of these topics. This includes, of course, comments concerning system design, particularly in light of more extensive use of EDI, newer electronic data systems used by regulated carriers and their customers, and continuing advances in electronic data processing systems in general. More fundamentally, we also welcome comments on such topics as the need for a comprehensive ETF system, its purpose, its potential cost, and its potential usefulness to shippers, carriers, and other affected parties.

Additionally, as demonstrated by several bills introduced in the last Congress and expected to be reintroduced in some form in this Session, the Congressional consensus regarding the need for ETF and, more fundamentally, for tariff filing by motor carriers is subject to change. Among these bills, which sought further regulatory reform in the motor carrier industry, were H.R. 4406, "The Trucking Regulatory Reform Act of 1992," introduced by Representative Packard (R.-CA.) and H.R. 4392, "The Motor Carrier Tariff Filing Moratorium Act of 1992," introduced by request by Representative Roe (D.-N.J.). H.R. 4406 would have eliminated tariff filing requirements for all motor carriers of property (other than household goods) establishing their rates independently of rate bureaus. H.R. 4392 would have suspended tariff filing for all motor carriers of property (other than household goods) for one year and mandated research to determine the effects of the moratorium and whether tariff filing could be eliminated permanently. In these times of budgetary restraint it is important for the Commission to assess, after consideration of comments by the interested public, the desirability, validity, and feasibility of enactment of these or similar proposals before committing the resources necessary to ensure an effective system of ETF. Exploration of these issues is valuable even while moving forward in conformity with the language contained in last year's House Report.

Supplementing the existing record on all of the issues described above before we proceed further will ensure that we have the benefit of current information and views as we make decisions in this important area. With regard to system design, we seek comment on numerous specific issues. The industry is involved in several ongoing efforts to establish standards for the automated interchange of tariff data, and automated billing and payment systems. Significant progress has been made in these areas, and any Commission ETF system should be as compatible as possible with such standards. It is, therefore, important that wide private sector participation be included in our reevaluation of ETF. We encourage all parties that previously participated in this case, and all other parties that have any interest, to provide us with their current views.

Many of the issues we will need to address will be similar to those addressed by the Federal Maritime Commission (FMC) in the development of its Automated Tariff Filing and Information system (ATFI). To help it resolve ETF issues, FMC formed an Advisory Committee comprised of persons affected by tariff automation. Our informal conversations with FMC staff indicate that this committee proved very helpful to them, and we are considering forming a similar committee. We invite comment on whether we should form an Advisory Committee and the interests that it should represent, or whether there are alternative methods that we should consider to ensure close coordination with the private sector. Persons who are interested in participating on an Advisory Committee, if one is formed, are requested to so indicate.[4]

The threshold consideration that parties should address is what functions they would expect an ETF system to perform. Current technology would permit a wide range of services. Current technology, however, is also quite expensive. Parties should, if possible, provide at least an estimation of the costs of developing various capabilities and the functions that the various capabilities would serve. Parties should also suggest which parties should bear these costs, and how. More specifically, we invite comment on the following:

- Standardized rate record formats would be a prerequisite for much of the functionality achievable through ETF, such as automated input to computerized rate data bases and other forms of EDI. Are there existing standardized formats that we should consider and/or how should the precise formats be determined?

- To what extent should we require that tariff rules and assessorial charges be formatted to accommodate EDI and computerized rating of shipments? (FMC's ATFI rules require that most accessorial charges be expressed in algorithms to facilitate these functions.)

- Should electronic tariff data be made available in machine readable form directly from the Commission? We tentatively conclude that only raw tariff data should be available from the ICC. There are many carriers, shippers and third party vendors currently operating computerized (or manual) systems to determine the lowest available rates for shipments. Our initial view is that the ICC should not compete with the private sector for this business, nor should taxpayers subsidize searches for the lowest rates for individual shippers. Additionally, because the existence of a rate does not guarantee the availability of satisfactory service, other information in addition to that contained in the tariffs is frequently needed to provide usable low-rate information.

- Should we specify codes to designate origins, destinations, commodities, etc., and, if so, what codes should be mandated? Standardized codes would facilitate the use of ETF data in other computer systems, but would also impose certain tariff publishing constraints.

- Should carriers be permitted to share our custodial responsibilities for maintaining the official tariff file? Although our prior decision opened the door for this "sharing" arrangement, it did not establish specific plans or procedures to ensure the integrity and availability of tariff data. In light of our statutory mandate to be the official custodian of tariffs and to certify tariff matter as needed in judicial and other proceedings (and shippers' understandable concerns that historical rates not be alterable by carriers), it is essential that we be assured that the data will be available from, and unalterable by, any carrier "sharing" our custodial responsibilities.

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[4] The Commission does not anticipate compensating persons who serve on the committee or reimbursing them for any expenses associated with their participation.

- Should we require carriers to use ETF? There are literally tens of thousands of carriers subject to ICC filing requirements, many of which are of the "mom-and-pop" variety, and a determination needs to be made on the extent to which carriers should be able to choose whether to file electronically or continue to file printed tariffs. ETF could be mandated for some or all tariffs, made totally voluntary, or be mandated only for certain types of carriers and/or tariffs.

If we determine that a comprehensive ETF system should be implemented, we will propose specific publishing regulations for electronically filed tariffs. Such regulations are not being proposed now, because the decision on whether to proceed, and the system or systems to be implemented will depend in large part on the comments received in response to this notice. The Commission also invites comments on its decision in Ex Parte No. 444 to substitute general tariff standards for many of the detailed publishing regulations previously established for printed tariffs.

REGULATORY FLEXIBILITY

Because this is not a notice of proposed rulemaking within the meaning of the Regulatory Flexibility Act (5 U.S.C. § 601 _et seq._), we need not make the small business impact examination required by that Act now. Nevertheless, we welcome any comments regarding the small entities considerations embodied in that Act. If we decide to issue a notice of proposed rulemaking, we will conduct an appropriate examination pursuant to the Regulatory Flexibility Act.

ENVIRONMENTAL STATEMENT

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

The petitions seeking reopening and reconsideration of Ex Parte No. 444, _Electronic Filing of Tariffs_, are granted.

Public comments are invited regarding the direction we should take with respect to regulations for the publication of printed and electronic tariffs, particularly the possibility of developing a comprehensive, data base-oriented electronic tariff filing system. Comments received on or before June 15, 1993 will be considered in the Commission's further deliberations.

By the Commission, Chairman McDonald, Vice Chairman Simmons, Commissioners Phillips, Philbin, and Walden. Chairman McDonald and Vice Chairman Simmons commented with separate expressions.

Sidney L. Strickland, Jr.
Secretary

(SEAL)

CHAIRMAN MCDONALD, commenting:

I do not agree with the majority's decision to expand this proceeding to solicit the public's views on the elimination of tariff filing or other legislative proposals. These are Congressional decisions and the proper forum for examining these issues is on Capitol Hill and not at the ICC in the context of this proceeding.

VICE CHAIRMAN SIMMONS, commenting:

I disagree with the majority's opinion as to the possible changeability of the Congressional consensus regarding ETF. I would point out that the bills referred to as evidence of this uncertainty garnered very little support in the last Congress. I believe the time for debate and discussion about whether to implement ETF has long passed. Indeed, I think specific Congressional directive has preempted such discussion.

ELECTRONIC TARIFF FILING COSTS

Mr. CARR. Last year, the Commission indicated that preliminary estimates were that $20 million would be needed to develop electronic tariff filing and that it would take 3 to 5 years to implement.

Do you have any better estimates this year?

[The information follows:]

At this time we have no different estimates. When we have received and reviewed the public comments in the re-opened Ex Parte No. 444, we will be able to provide Congress with more accurate projections of cost and a time table for development and implementation.

Vice Chairman SIMMONS [commenting]. It is my understanding that the $20 million estimate is very much a "high-end" projection of the cost of implementing electronic tariff filing at the ICC. In particular, the development of a joint tariff filing system with the Federal Maritime Commission would provide significant savings in start-up costs for the ICC as well as savings in operating costs for both agencies. The feasibility of such a joint system should be one area of focus in our deliberations of ETF.

OPTICAL IMAGING OF TARIFFS

Mr. CARR. We also talked last year about optical scanning of tariffs as a valid first step toward modernization. Congress approved, in your fiscal year 1993 budget, $500,000 for the purchase of optical scanning equipment based on the Commission's argument that this technology would save storage space, enhance the security of your tariff library, and reduce the number of people needed to retrieve data.

Has this equipment been purchased and is this equipment fully operational?

[The information follows:]

There have been no optical imaging equipment purchases to date.

The program development plan recently received on the feasibility of optical imaging by DOT's VOLPE National Transportation Systems Center addresses the requirements of the proposed Commission optical imaging system. Until the results of this plan are evaluated, the Commission will withhold expending any funds on optical imaging equipment. The plan's recommendations will be evaluated and implemented as soon as practicable and funds will be obligated as necessary for the software design and necessary equipment, subject to the availability of FY 1993 funds necessary to complete the project.

Mr. CARR. A major item in the fiscal year 1994 budget is your request for $1 million for the acquisition of optical imaging equipment.

How did you determine that this amount would be needed?

[The information follows:]

Before DOT's VOLPE National Transportation Systems Center was contracted to write the program development plan for the implementation phase of the optical scanning system, the Commission contracted with General Analytics Corporation (GAC) for an initial feasibility study to evaluate all electronic document retrieval/management systems and processes available.

The Commission, though not entirely satisfied with the results and the performance of GAC, has relied upon the GAC study and dollar amounts projected for the various phases of implementing the optical imaging system. Though various areas of the study were weak, the estimated cost of $1.6 million for implementation was considered to be on the low side of the expected range.

The VOLPE program development plan has just recently been completed by VOLPE and received by the Commission. VOLPE's analysis resulted in cost projections on the high side at $1.989 million. Commission costs are expected to fall within these two estimates.

Mr. CARR. Will the additional $1 million complete the purchase of equipment needed to implement this new system?

If not, what additional funding would be needed for this purpose?

[The information follows:]

The additional $1.0 million will complete the purchase of optical scanning equipment. The program development plan recently received from VOLPE addresses the requirements of the proposed Commission optical imaging system. The total cost of the optical imaging equipment was projected at $1.6 million from a previous feasibility study performed by the General Analytics Corporation (GAC). The projected cost provided in the Volpe plan is $1.989 million. Commission costs are expected to fall in between these estimates.

Mr. CARR. How will the implementation of optical imaging affect the need to move forward with electronic tariff filing?

[The information follows:]

We do not expect optical imaging plans to impede our consideration of whether to implement an electronic tariff filing system. Optical imaging will capture the current tariff library and be used in conjunction with electronic tariff filing, which could be fully operational five years from actual startup. During that time we will have experienced the space savings, improved document accessibility, and additional document security that the optical imaging system will provide along with minimal user impact.

FINANCIAL HEALTH OF TRUCKING INDUSTRY

Mr. CARR. Historically, the financial health of the trucking industry has tracked that of the overall economy. Recent economic indicators suggest that the country is emerging from the recession.

What are the prospects for the industry in 1993?

[The information follows:]

The trucking sector represents an estimated $278 billion of the U.S. economy, accounting for approximately 80 percent of the Nation's total freight moving business.

At $78 billion annually, the ICC-authorized sector accounts for less than one-third of the total trucking industry. The less-than-truckload (LTL) general freight market is a smaller component still, with ICC-LTL trucking generating about $17-18 billion. This market includes carriers such as Roadway, Consolidated Freightways, and Yellow Freight.

The operating results for the ICC's 100 large carrier group show strong 1992 revenue and earnings gains in comparison to weak 1991 figures, but strong in historical terms as well. For FY 1992, operating profits were up 28 percent to almost $970 million and net profits were up 50 percent to $446 million as compared to FY 1991. Both operating revenues and revenue tons hauled increased by about 8 percent.

Improvements in the trucking industry's earnings and traffic volume for FY 1993 are likely to track the continued improvement in the overall economy.

TRUCKING INDUSTRY INSURANCE COMPLIANCE

Mr. CARR. The justifications indicate that there was an increase in the use of short-term insurance from 1991 to 1992 by the trucking industry, due to the state of the economy with companies entering and exiting as they shopped for better rates.

What has been your experience regarding trucking company compliance with insurance requirements?

[The information follows:]

We have not noticed a continuation of the unusual practice of buying short-term insurance coverage while shopping for better insurance premiums that was employed by some truckers during the insurance crises of the mid-1980's. Although we believe that insurance premiums remain high, the insurance industry's capacity to write policies has increased. On the other hand, an increased number of insurance companies have been placed into rehabilitation or liquidation by State courts upon petition of State insurance departments. These State court actions have resulted in an increase in the issuance of revocation orders by the Commission's Insurance Board against carriers holding insurance from these failing insurers. Motor carriers insured by these failing companies are required to provide new replacement insurance coverage and file it with the Commission or face revocation of their ICC operating authority.

TRUCKING INDUSTRY INSURANCE ENFORCEMENT

Mr. CARR. Given the improving economy, do you anticipate a lessening of insurance enforcement activities in the motor carrier area?

[The information follows:]

There are no indications at the present time that the Commission's overall emphasis on insurance enforcement activity will change nor do we anticipate a lessening of insurance enforcement activity in FY 1994, resulting from the improving economy. Apart from the enforcement function, the only insurance workload activity that we project to decline is the number of contacts that our staff makes with carriers. This administrative activity, which is reflected in the insurance assignment workload, ensures that replacement insurance is filed with the Commission by carriers upon cancellation, for whatever reason, of their former insurance policies.

TRUCKING INDUSTRY INFORMATION TECHNOLOGY

Mr. CARR. The application and use of freight information management technologies, such as bar code technology, satellite vehicle tracking, database shipment tracking, and long distance dispatching, have become more widespread in the trucking industry due to competitive pressures to cut costs, provide state-of-the-art service, and improve quality.

What can you tell us about these developments and their impact on interstate freight transportation?

[The information follows:]

Information technology continues to impact industry service levels and, to some extent, change the nature of trucking service. Deployment of vehicle tracking systems, long distance communication with drivers, and bar code scanning of packages has expanded rapidly in recent years. Use of these technologies is likely to increase in 1993 and beyond.

In 1992, two-way satellite transmission of data and position location services were being used by an estimated 200 U.S. trucking fleets. With either satellite or land-based systems, drivers can notify their dispatch centers of truck location, report shipment delivery status, and be available for new loads. Portable, laptop, and hand-held computers are available to communicate between drivers and terminal facilities via these networks. Finally, bar code scanning and electronic pen devices are used increasingly for streamlining data capture, providing proof of delivery, invoicing, and other tasks.

These innovations will enable trucking companies to improve productivity through better planning in the utilization of capacity. Quality of service should also be enhanced due to better information available to shippers on the location and disposition of their shipments.

TRUCKING INDUSTRY DEREGULATION

Mr. CARR. One goal of the previous Administration was to further deregulate interstate and intrastate trucking rates and services. Some observers have estimated that further deregulation could save the economy $3 billion to $8 billion annually.

What is your view of the benefits of further deregulation of the trucking industry?

[The information follows:]

Views among the Commissioners vary on this issue and, in fact, some of my colleagues proposed further trucking deregulation in the past. I did not because I believe this is an issue best left to the Congress.

Mr. CARR. In May 1992, the Administration announced several actions that would be taken to reduce the economic burdens created by Federal regulation of surface freight transportation. These actions included a new ICC policy statement on the definition of interstate shipments to eliminate State regulation of the intrastate portion of interstate trucking shipments.

What is the status of those policies and any recent challenges to them?

[The information follows:]

The ICC issued its policy statement [1] clarifying that in-State shipments continuing in interstate or foreign commerce are not subject to State regulation even though they are temporarily stored at a warehouse in the State. At about the same time, the ICC issued a declaratory order finding certain transportation from warehouses in Texas to be interstate.

In July 1992, these decisions (along with an unrelated case involving transportation in Pennsylvania) were challenged in the United States Court of Appeals by several motor carriers, trade associations, and States. All three cases are scheduled for oral argument on May 6, 1933, in New Orleans.

Mr. CARR. Do you plan any additional regulatory action aimed at interstate trucking?

[The information follows:]

The Commission's policy statement, entitled "*Motor Carrier Interstate Transportation*", 8 I.C.C.2d 470 (1992), is intended to provide clarification of the character of interstate and foreign commerce. As such, it was interpretative action of the Commission concerning existing Federal law.

Any regulatory action that would affect intrastate trucking is only possible in those areas where Congress has provided the Commission with appropriate jurisdiction. Those areas are very limited. For example, the Commission can issue intrastate regular-route bus authority if the service is provided over routes in which a carrier concurrently conducts interstate services in accordance with operating authority issued by the Commission. Another example is the Commission's exclusive authority to approve the transfer of intrastate operating authority in its decisions approving the purchase of interstate operating authorities. Given the Commission's limited jurisdiction, further actions with regard to intrastate trucking are not contemplated.

BUS INDUSTRY STUDY

Mr. CARR. The ICC recently announced that the Commission would be undertaking a major study of the current state of the intercity bus industry. Several of the commissioners questioned the need for the study, especially given the completion of a recent GAO study on this topic and given the Commission's limited resources.

Why do you believe that such a study is needed now and what insights do you hope to gain by undertaking such a study?

What issues will you be looking at?

[The information follows:]

The Commission has received several petitions to reopen the Greyhound/Trailways merger proceeding and numerous complaints regarding issues such as terminal access; interlining arrangements; honoring of tickets; and other problems stemming from shared terminal arrangements. Also, it has received a joint petition from three national bus associations to investigate Greyhound's withdrawal from the Russell's Official Bus Guide in order to use its own computerized reservation system.

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[1] *Motor Carrier Interstate Transportation*, 8 I.C.C.2d 470 (1992).

The study will look at these practices as well as assess the current and prospective condition of the intercity bus industry. The study will place particular emphasis on how these practices and the condition of the bus industry impact on the adequacy of bus service to the travelling public. A majority of the Commission believes this study is necessary in order to form a basis for any policy decisions the Commission may make in the future regarding the bus industry.

Mr. CARR. When do you anticipate completing the study?

[The information follows:]

The March 5, 1993, notice requested public comments by April 9, 1993. At the request of the United Bus Owners of America and the American Bus Association, the due date for comments was extended to May 10, 1993. The projected completion date for the study is mid-summer 1993.

Mr. CARR. Do you plan to conduct the study using in-house resources?

What will be the level of staff effort required to complete the study?

[The information follows:]

The study will be completed with "in-house" staff. We project that a total of two staff-years comprised of existing staff from the Office of Economics, the Office of Compliance and Consumer Assistance, and the Office of Proceedings will be required to complete the study.

GREYHOUND FINANCIAL CONDITION

Mr. CARR. Greyhound emerged from bankruptcy in October 1991 under new management and recently reported its first operating profit since its reorganization under bankruptcy.

What is your assessment of Greyhound's current financial position and longer-term financial viability?

[The information follows:]

Greyhound's earnings for 1992 substantially improved compared to 1991. Net carrier operating income for 1992 was $45.2 million, compared to a net carrier operating loss of $3.1 million for 1991. Also, Greyhound's $10.9 million ordinary income for 1992 was a considerable improvement from the $22.4 million ordinary loss incurred during 1991. However, as a result of the sluggish economy and competition from airlines, operating revenues and revenue passengers carried for 1992 declined 8.3 percent and 4.7 percent, respectively, from 1991 levels. Greyhounds' management attributes the large earnings improvement in 1992 to the implementation of operating efficiencies and cost containment strategies.

Greyhound's cash and liquidity position improved substantially during 1992 due to the sale in April and May of approximately $100 million of 8.5 percent convertible subordinated debentures due in 2007. As a result of this public offering, Greyhound obtained a substantial increase in borrowing capability from a revolving credit loan and liquidated about $78 million of long-term debt due to be paid within the next six years.

However, Greyhound is not a financially strong company, despite its improved earnings and cash position. As of December 31, 1992, the carrier reported a deficit tangible stockholder's equity of $2.9 million and total long-term debt of $290.7 million. Greyhound's ratio of debt to debt plus equity was a highly unfavorable 101 percent.

Greyhound has remained viable since its emergence from bankruptcy as sufficient cash has been available from cash flow generated from operations and from a revolving credit loan. The company has had adequate cash to operate through the first three months of 1993, the seasonally low demand period of the year. We believe that Greyhound will continue to be financially viable barring any substantial adverse event.

Mr. CARR. As you know, Greyhound now is the only motor bus carrier offering nationwide passenger service. There are about 115 regularly scheduled motor bus carriers of passengers that operate on a regional basis.

Do you have an assessment of the economic and financial implications of Greyhound's practices on the intercity bus industry overall?

[The information follows:]

The Commission has not made an assessment of the economic and financial implications of Greyhound's practices on the intercity bus industry. This is one of the areas we hope to develop in our study of the intercity bus industry.

GREYHOUND COMPLAINTS

Mr. CARR. Some of the regional bus carriers have complained to the ICC that recent actions by Greyhound are anti-competitive and monopolistic. Some of these carriers have alleged that Greyhound is taking steps to eliminate competitors in the intercity bus market and, in doing so, is violating the terms of the ICC's proceeding which allowed Greyhound to purchase Trailways.

How is the ICC responding to these complaints and allegations?

[The information follows:]

The Commission's decision approving the Greyhound-Trailways merger contained no conditions. *GLI Acquisition Company—Purchase—Trailways Lines, Inc., Et Al.*, 4 I.C.C.2d 591 (1988), affirmed by unprinted decision in No. MC–F–18505, served October 6, 1988, aff'd sub nom., *Peter Pan Bus Lines, Inc., et al.* v. *Interstate Commerce Commission*, Nos. 88-1566 and 88-1567 (D.C. Cir. May 8, 1989) (per curiam). Some regional bus companies have petitioned the ICC to reopen the merger proceeding in order to impose various conditions on Greyhound. The Commission has, thus far, considered these complaints on a case-by-case basis and afforded relief where appropriate.

For example, in Docket No. MC–F–18505, *GLI Acquisition Company—Purchase—Trailways Lines, Inc., et al., Blue Ridge Lines, Ltd., d/b/a/ Blue Ridge Trailways—Petition to Reopen* (not printed), served February 8, 1991; and *Bremerton Tacoma Stages, Inc. d/b/a/ Cascade Trailways—Petition to Reopen* (not printed) served August 14, 1992, corrected August 31, 1992, temporary relief was ordered to allow Blue Ridge and Cascade access to Greyhounds' terminals pending further investigation. In other cases, the petitions were either withdrawn or denied. Nevertheless, a majority of the Commission has decided to move beyond a case-by-case response to complaints and develop a comprehensive overview of the current state of the intercity bus industry. To that end, the Commission has initiated a study evaluating the adequacy of service and the practices of certain carriers. By conducting this study, the Commission will be in a better position to assess the performance and financial condition of the intercity bus industry as a whole. Also, the study will enable the Commission to evaluate complaints it receives to determine: (1) the economic and financial implications of Greyhound's practices on the industry at large; (2) whether Greyhound's practices are "anticompetitive" or are legitimate responses to changing market conditions; and (3) the impact that these practices have on the traveling public. The Commission expects that the study will be completed this summer.

BUS INDUSTRY SAFETY RESPONSIBILITIES

Mr. CARR. The National Transportation Safety Board is currently investigating a charter bus accident which occurred last year in Vernon, New Jersey. The Safety Board's preliminary work indicates that the bus was granted operating authority by the ICC but that the FHWA had no knowledge of the carrier. Further, the Safety Board learned that the bus operator had been cited by the State of New York for failing to have a bus safety inspection.

Is there a need to better integrate your licensing procedures with your safety oversight responsibilities and those of the FHWA?

[The information follows:]

Carriers applying for operating authority from the Commission are subject to a check of their safety fitness rating issued by FHWA. Under our safety fitness policy adopted September 27, 1991.[1] a carrier that does not have a safety fitness rating can receive operating authority from the Commission. Prior to September 27, 1991, an unrated carrier would receive operating authority with a term limitation of one year. However, in response to FHWA's resource limitations and changes in its policy priorities, we stated in *Safety Fitness Policy* that unrated carriers would no longer be barred from receiving unlimited term operating authorities.

Carriers filing for permanent authority are identified in the *ICC Register*, and FHWA is provided with a copy of that record. Our existing licensing procedure is designed to provide FHWA with sufficient information to identify new applicants that are not in their system.

In addition, in response to the changes in our licensing and finance dockets adopted in *Safety Fitness Policy* and our continuing concern and responsibility to guarantee safety in the motor carrier industry. an ICC–DOT safety task force was formed. The task force meets on a quarterly basis to address mutual safety concerns. The New Jersey charter bus, which did not have a safety fitness rating and was not included in FHWA's system, was considered at length during a task force meeting, and there is agreement that adequate internal controls now exist to ensure that ICC-authorized carriers enter FHWA's system.

MOTOR CARRIERS SAFETY FITNESS

Mr. CARR. In September 1991, the ICC issued a revised safety fitness policy that appears to hold the ICC's ability to carry out its responsibilities regarding safe motor carrier operations hostage to the Department of Transportation's safety enforcement efforts and priorities. Under the revised policy, for example, the ICC grants unlimited operating authority to new carriers with no safety track record and to carriers granted a conditional safety rating. FHWA, however, has been criticized by the GAO for lax safety enforcement.

Should the ICC have a role—independent of the Department of Transportation—in assessing safety fitness for motor carriers?

[The information follows:]

Congress has given DOT the authority and funding to administer the Nation's highway safety program. The ICC is required to take safety fitness into account in its licensing of motor carriers. The ICC's revised safety fitness policy [1] was adopted in response to DOT's safety enforcement efforts and priorities as established by Congress. The ICC works closely with DOT and State safety officials in identifying carriers that pose threats to motor carrier safety.

Granting unlimited operating authority to carriers that do not have safety fitness ratings or have "conditional" safety fitness ratings has not been shown at this point in time to involve added risks to highway safety. Unrated carriers and conditionally-rated carriers are not necessarily unsafe carriers. Further in all likelihood, an entity seeking ICC authority as a new carrier often will not have a safety rating precisely because it is a new entrant. Unrated carriers are usually those that DOT has either had no reason to audit or has not had an opportunity to audit. Conditionally-rated carriers have been shown to have some operating and/or recordkeeping deficiencies. All applicants who do not have a DOT safety rating are required to certify their understanding of safety requirements and their ability and willingness to comply with them.

The Commission's revised safety fitness policy rejects all applications from carriers having "unsatisfactory" safety fitness ratings. In addition, in response to our issuance of *Safety Fitness Policy*, an ICC–DOT safety task force was formed to monitor safety in the motor carrier industry and to commence proceedings to revoke the operating authorities of carriers that have been shown to pose a threat to public safety.

The Commission takes great pride in its concern for safety on the Nation's highways. It firmly believes that the revised policy has eliminated duplication of effort and working at cross purposes with DOT.

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[1] *Safety Fitness Policy*, 8 I.C.C.2d 123 (1991) (*Safety Fitness Policy*).

From our experience working with FHWA over the past few years, DOT has made great strides in putting together a first rate safety program. Working together with the States, using added funding supplied by the Congress, DOT has assembled a "safetynet" management information system that identifies those carriers that pose a threat to public safety on a real time basis. This system is far superior to the discarded effort to rely solely on safety audits and fitness ratings to protect the public from unsafe carriers. The Commission is actively participating in this effort and believes that the result has been a better focused and more effective safety program at the ICC.

The Commission has a statutory responsibility to evaluate an applicant's safety fitness. While the Commission defers in the first instance to the expertise of the FHWA and the validity of their data, this agency must make the final and independent decision regarding an applicant's fitness to hold authority. In addition, the Commission now imposes on all new grants of authority, a safety fitness condition which states that the authority could be suspended or revoked if it does not comply with Federal motor carrier safety regulations. Further, the Commission has pending before it several show-cause proceedings challenging a motor carrier's continuing safety fitness. While FHWA is invited to participate as a party in each of these proceedings, the ultimate decision is rendered by the Commission. The Commission continues to cooperate and coordinate safety fitness activities with FHWA, pursuant to the current memorandum of understanding and protocol established by the ICC–DOT safety task force, and through quarterly safety fitness task force meetings. Any further role independent of DOT would, of course, be a decision for Congress.

Vice Chairman SIMMONS [commenting]. I believe the Commission's ability to carry out its responsibilities regarding motor carrier safety is currently hostage to DOT's performance of its own responsibilities in this area. This undesirable ICC dependence on DOT is the result of severe staff reductions in prior budgets and of a disinclination by past heads of the agency to vigorously pursue safety issues. Although I have no doubt that Commission staff are committed to a full cooperation with DOT, the GAO criticisms of FHWA's lax safety enforcement demonstrate the dangers of not pursuing an independent safety enforcement effort. I have long advocated such an independent role on safety issues for the ICC. I am confident that the agency's new leadership will give safety programs the priority they require.

Commissioner WALDEN [commenting]. Although it is true that it is up to Congress whether the Commission is given any further safety role that would be independent of the Department of Transportation, I do not believe the Commission ought to shy away from expressing its view on this question. In my view, the Commission does not need and should not receive any additional authority over motor carrier safety. If there is a safety concern that prompts Congress to act, Congress should vest the Department of Transportation and not the Commission with the responsibility to meet that concern. Notwithstanding the excellent cooperation between the Commission and the Federal Highway Administration to date, in general, bifurcating safety responsibilities between two Federal agencies hinders or at least makes more difficult the efficient and uniform administration and enforcement of the law.

FINANCIAL HEALTH OF RAIL INDUSTRY

Mr. CARR. Your justifications indicate that you anticipate a large number of rail construction applications this year and next year.

Is this a good barometer of an improving financial health of the railroad industry?

Can you update us on the overall health of the United States rail industry today?

[The information follows:]

The unprecedented large number of rail construction applications should not be viewed as a major indicator that investors foresee opportunities in the railroad industry. Typically, these cases involve a shipper, served directly by a single railroad, that wishes to build a relatively short line of track to another railroad in order to obtain a competitive alternative.

Earnings of the Class I line-haul railroads substantially increased during the year 1992 compared to the year 1991, as the railroads benefitted from increased traffic and improved productivity, particularly due to a reduction in the size of train crews pursuant to labor agreements. Operating revenues and revenue ton miles rose during the period by 2.3 percent and 2.7 percent, respectively. Net railway operating income increased 17 percent to $2.7 billion and ordinary income rose 25 percent to $2.8 billion. These earnings data exclude large accounting adjustments (special charges) by 11 railroads to record major restructuring efforts to eliminate excess capacity and increase labor productivity and to increase liabilities estimated for settlements of certain claims.

RAILROAD REVENUE ADEQUACY

Mr. CARR. How many Class I railroads have been determined to be revenue adequate, and which ones are they?

[The information follows:]

The following table shows those railroads found to be revenue adequate for the years 1987 through 1991.

CLASS I RAILROADS FOUND TO BE REVENUE ADEQUATE

[1987 through 1991]

Year	Number of revenue adequate railroads	Names of revenue adequate railroads
1987	0	None.
1988	2	Florida East Coast. Norfolk-Southern.
1989	2	Burlington Northern. Norfolk-Southern.
1990	1	Illinois Central.
1991	1	Illinois Central.

Mr. CARR. What is the overall financial health of the shortline and regional railroads, and is their return on investment high enough to enable the financing of their most important capital needs?

[The information follows:]

In 1982, the Commission exempted small railroads (Class II and III carriers) from filing annual reports. Therefore, the Commission has no accounting data for shortline carriers regarding financial viability, return in investment or capital needs.

However, one indicator of financial viability of shortlines is the loss of rail service. Since 1981, following the passage of the Staggers Rail Act, 266 new shortlines have formed. Of 66 failed shortlines and regionals analyzed by the Commission, rail service was retained on 40 lines which either merged into another carrier or were sold partially or totally to another railroad. Thus, while 66 new shortlines have disappeared, only 26 lines, which is less than 10 percent of the new shortline formations, have totally lost rail service. Common reasons for these failures include: shippers going out of business; low traffic volumes; bridge washouts; poor track.

Additionally, the Department of Transportation's Federal Railroad Administration has just completed a study and report to Congress, *Small Railroad Investment Goals and Financial Options*, January, 1993, which addresses some of these issues. Since most small railroads are privately held and very little financial data is available, FRA surveyed 339 shortline railroads, of which 118 indicated an interest in loan guarantee programs. FRA concludes that, while shortline railroads appear to be generally healthy today, a loan guarantee program could help some basically sound carriers fund projects they currently cannot undertake.

RAILROAD FINANCIAL REPORTING EXEMPTION

Mr. CARR. As you know, these railroads are exempt from ICC accounting and financial reporting requirements.

Chairman McDonald, last year you supplied information for the record to express your belief that the Commission should require shortline and regional railroads to report some financial data to ensure adequate monitoring of the industry, given their increasing importance to local and regional commerce.

Do you continue to hold that view?

[The information follows:]

Yes, I do. In recent years, we have seen a significant effort on the part of Class I railroads to reorganize and reduce their rail systems. Shortline railroad systems have emerged and provide service on what otherwise could be abandoned lines.

It is particularly significant that the shortline railroads become the primary serving carriers to shippers on those lines, replacing the Class I railroads. In so doing, the shortline or regional carrier assumes the full statutory obligation for car service and other responsibilities of an originating or terminating carrier. These are significant responsibilities.

From a public policy view, I believe that we need the ability to monitor these operations broadly and to do so through limited filings that would provide us with some basic information on their financial and operational viability. This need not be a burdensome process. However, if we are to ensure the success of the National Transportation Policy and operational viability, this need not be a burdensome process. However, if we are to ensure the success of the National Transportation Policy and the seamless transportation system it envisions, then we must make certain that critical links in this system can be monitored and remain viable.

RAILS TO TRAILS

Mr. CARR. According to data submitted last year by the ICC, approximately two-thirds of requests to convert abandoned rail corridors to trails submitted between 1988 and 1991 have been approved by the ICC.

What is the Commission's role in this area?

[The information follows:]

Once a rail line has been approved by the Commission for abandonment, a proponent of a trail may seek to negotiate an agreement with the railroad abandoning the line to "rail bank" the line; i.e., the carrier would forego consummating the abandonment. If the carrier consents to participate in these negotiations, the Commission will refrain from issuing a certificate of abandonment and will instead issue a "certificate of interim trails use" or CITU. (If the Commission has given the railroad permission to abandon the line through the exercise of its exemption authority under section 10505 rather than through approval under section 10903-4, the agency issues a "notice of interim trails use" or NITU instead.)

The Commission will issue the CITU or NITU as long as the trail proponent states that it agrees to (1) maintain the right-or-way for possible future rail use and (2) assume all liability in connection with the trail use and responsibility for the corridor, including paying taxes. The Commission has often said that its role in administering the rails-to-trails provisions of the Trails Act, 16 U.S.C. 1247(d) enacted in 1983 as an amendment to the National Trails System Act, is purely ministerial. The Commission has published rules to implement the Trails Act at section 1152.29 of Title 49 of the Code of Federal Regulations. The Commission issued a policy statement on rails-to-trails conversion in *Rail Abandonments—Trails Act—Policy Statement*, 5 I.C.C.2d 370 (1989).

Mr. CARR. What are the responsibilities of the ICC regarding the supervision and maintenance of trails once they are developed?

[The information follows:]

The private or public organization that has established the trail is responsible for its supervision and maintenance subject to the laws and ordinances of the locality in which the trail is located. The Commission is responsible under the Trails Act to impose the condition on the trail proponent that it agree to maintain the right-of-way for possible future rail use and assume all liability in connection with the trail use and responsibility for the corridor.

Mr. CARR. The Department of Transportation administers a recreational trails program that is funded from revenues from nonhighway recreational fuel taxes.

Do you coordinate your activities at all with those of the Department of Transportation?

[The information follows:]

Trail proponents invoking the rails-to-trails provisions of the Trails Act before the Commission may receive funding from DOT, but the Commission does not inquire into the source of any proponent's funding. The Commission merely assures that the legal requirements of the Trails Act have been met. The Commission does not operate a funding program nor does it participate in any program operated by any other agency, including DOT.

Mr. CARR. How many staff-years were devoted to administering the rails-to-trails program in fiscal year 1992 and what is estimated for fiscal years 1993 and 1994?

[The information follows:]

The Commission does not keep separate records on the number of staff-years allocated to the "rails-to-trails" program. However, based on the fact that 20 staff-years are allocated to the rail abandonment activity in FY 1992 the Offices of Proceedings and Economics estimate that slightly more than 1 staff-year would be devoted to administering the "rails-to-trails" program in FY 1993 and FY 1994.

INTERMODAL FREIGHT TRANSPORTATION

Mr. CARR. A December 1992 GAO study entitled "Intermodal Freight Transportation" concluded that: Intermodal rail service established itself in the 1980s as a viable component of the Nation's freight transportation system. Intermodal program in the 1980s occurred in a deregulated environment that stimulated competition in the transportation industry. In that environment, railroads had both an incentive to improve their service and an opportunity to regain their share in the general freight business. In our view, it would be unwise to introduce Government incentives or regulatory measures that would lessen the competitive influences that have led to improved intermodal service."

Would you comment on the GAO's conclusions and indicate what actions the ICC has taken to encourage intermodal growth and service?

[The information follows:]

We fully support GAO's conclusions. Deregulation has provided both the opportunity and incentive for carriers to realize the full potential of intermodal operations. In recent years, operational and technological advances have significantly improved intermodal efficiency. Intermodal service was once viewed by shippers as slow, unreliable and subject to significant loss and damage. Today, this perception has changed. Railroads and other intermodal companies have endeavored to improve the quality of intermodal service in order to attract customers willing to pay higher rates for superior levels of service. We are beginning to see unprecedented cooperation between all the modes to foster the development of this service.

The Commission has attempted, within the boundaries set by the Interstate Commerce Act, to eliminate regulatory barriers to the efficient provision of intermodal service. Under 49 U.S.C. 10505, effective March 1981, we exempted from regulation rail movements of trailer-on-flatcars and container-on-flatcars (TOFC/COFC). This exemption has helped spur significant innovations in technology (e.g., double stack cars) and marketing, and equally significant service and price improvements, enabling intermodal service to more effectively compete with single mode service. Intermodal TOFC/COFC has been the most dramatic growth area for railroads in the 1980's. Most recently, in Ex Parte No. 230 (Sub-No. 7), we exempted the motor portion of TOFC/COFC service from regulation as well.

Mr. CARR. About a year has passed since the enactment of ISTEA—the Intermodal Surface Transportation Efficiency Act—

which established an Office for Intermodalism with the Department of Transportation.

Do you have any observations on how that office can further promote truck-rail intermodalism?

[The information follows:]

The Commission has attempted, within the boundaries set by the Interstate Commerce Act (ICA), to eliminate regulatory barriers to the efficient provision of intermodal service. Under 49 U.S.C. 10505, effective March 1981, we exempted from regulation rail movements of trailer-on-flatcars and container-on-flatcars (TOFC/COFC). This exemption has helped spur significant innovations in technology (*e.g.*, double stack cars) and marketing, and equally significant service and price improvements, enabling this intermodal service to more effectively compete with motor carriers. Intermodal TOFC/COFC has been the most dramatic growth area for railroads in the 1980's. Most recently, in Ex Parte No. 230 (Sub-No. 7), we exempted the motor portion of TOFC/COFC service from regulation as well.

We have also approved intermodal mergers that promoted truck-rail synergies in those limited instances where we have been permitted to do so by the ICA. Our approval of mergers involving rail and motor carriers is restricted by 49 U.S.C. 11344(c). Congress, in Section 3403 of the Drug Act, permitted a more liberal interpretation of Section 11344(c) for those rail/motor merger applications brought before the Commission between July 1984 and September 1986. This permitted our approval of the mergers of Union Pacific Corporation with Overnite Transportation Company and of Norfolk Southern with North American Van Lines. No significant applications for intermodal mergers have been brought before us in the past several years. The elimination of section 11344(c) may encourage further intermodal transportation.

REPROGRAMMING REQUEST

Mr. CARR. Would you briefly describe the fiscal year 1993 reprogramming request submitted to the committee in January, and explain why it is needed?

[The information follows:]

In 1992, Chairman Philbin requested that the Secretary of the Commission review the organizational structure of the Office of the Secretary and the Commission's application processing and recommend changes in the Commission's organization that could increase efficiency and productivity. After his review, the Secretary proposed in October 1992, a reorganization of the Office, which was unanimously approved by the Commission.

The transferred functions and staff-years will implement the "gatekeeping" functions involved in the screening and processing of unopposed operating authority applications; small carrier transfer proceedings; modification of authority applications; substitution/ownership transfer applications; and water carrier and Mexican carrier applications. By consolidating the operating authority application process in one office, existing minor duplication of processing and tracking will be eliminated and the application process will be further streamlined. This reorganization will better utilize employees with similar skills to backup operations during peak workload periods. It was requested in FY 1993 to enhance the quality of service to the public, eliminate duplication between offices, and enhance efficiencies of the Commission's operations. Therefore, the Commission requested a reprogramming from Congress to incorporate the changes as quickly as possible.

OPM MANAGEMENT STUDY

Mr. CARR. A management study of the ICC requested by Commissioner Philbin was recently completed by the Office of Personnel Management. The purpose of the study was to assess the utilization of the ICC's resources and to review the ICC's mission, manpower needs, and procedures used to fulfill the Commission's statutory mandate.

Is the Commission functioning as efficiently as it could be?

Would you please describe the findings and recommendations of that study?

[The information follows:]

There is always room for improvement in any organization and the Commission is no exception. We are constantly looking for ways to function more efficiently and the OPM study is a good starting point.

The OPM Study makes the following findings and recommendations.

1. Clarification of leadership roles. OPM recommends dividing the roles as follows: the Commissioners to decide the policies that the ICC will follow and the Chairman, with the assistance of the Executive Director, to see that those policies are carried out.
2. Agreement on strategic direction. OPM recommends that the Chairman and the Commissioners move promptly to initiate a strategic planning process, with the goal of developing a mission statement and setting new organizational priorities.
3. Related organizational changes. OPM recommends creation of a small planning staff to carry out the necessary organizational changes resulting from the strategic planning process.
4. Better use of human resources. OPM recommends strengthening personnel and training programs, including: holding focus group interviews; encouraging teamwork across divisional lines; using staff members to teach in-office training sessions for co-workers; developing an orientation course for new employees; identifying positions for developmental assignments, involving temporary or permanent exchanges of employees between offices; identifying and developing employees for managerial and SES positions in anticipation of retirements; and inaugurating a professional development program for staff.
5. Communication processes. OPM recommends that the Commission: hold annual meetings with staff to establish operational goals and objectives; create inter-office task forces to study and provide recommendations for special organizationwide issues; update where the Commission is going in a periodic newsletter or information sheet; and publish a weekly, unified calendar of the planned public meetings of the Chairman and other members of the Commission.
6. Information systems and case procedures. OPM recommends: accelerating the project to replace the current mainframe system with a more up-to-date configuration; initiating a comparable effort with regard to the Commission's PCs, including interfacing the PCs with the new mainframe system; initiating a near-term training program on the use of the existing mainframe to make it more accessible for managers and mid-level staff; networking PCs in various Commission offices; exploring ways in which electronic information systems can effectively tie in field operations with operations in Washington; reducing the number of filings at the Commission; reducing the paper flow by simplifying application forms and identifying new technologies such as optical scanning; developing professional opportunities for the Office of Proceedings staff; and developing enhanced technical support for the legal staff.
7. Field operations. OPM recommends: focusing regional operations on non-policy issues directly affecting enforcement and consumer assistance responsibilities; decentralizing by transferring the permanent licensing function to the regional offices; setting regional priorities; adjusting fee allocation by taking into account regional operating costs; redefining workload distributions, to provide more equitable distribution of the workload among the regions; and enhancing employee development by expanding regional cross training.
8. Financial Management. OPM recommends centralizing fee collections and conducting annual review of fees.

ORGANIZATIONAL PRIORITIES

Mr. CARR. In the past, there have been disagreements among the commissioners regarding what the priorities of the Commission ought to be. This is highlighted in the management study's recommendation that the Commission undertake a formal, objective strategic planning process to develop a mission statement that reflects the operational realities of the 1990s and that sets new organizational priorities.

Do you agree with this recommendation?

What do you believe those organizational priorities ought to be?

[The information follows:]

I agree that the Commission should engage in strategic planning and it certainly is one of the OPM recommendations that the Commission will consider. It would be premature to define organizational priorities in advance of any strategic planning process.

COMPUTER DATABASE REDESIGN

Mr. Carr. A significant item in your fiscal year 1994 request is $1.897 million for the second stage of the redesign of the Commission' software systems. Since the Volpe Center is assisting you with the planning for this initiative, wouldn't it be premature to provide this money now?

[The information follows:]

In 1992, the Commission entered into a memorandum of understanding with VOLPE allowing the Commission to gain quick access to VOLPE's already existing contracts-in-place program and provide the Commission with a fast track for the redesign of its antiquated software and hardware systems.

VOLPE is currently engaged in developing a long term Information Systems Strategic Plan which will outline a general course of action and will provide a prioritized list of information systems needed to be developed and/or redesigned, recommendations for types of systems software and hardware platforms, and a more realistic estimate of costs and scheduling. The strategic plan is to be completed in the third quarter of FY 1993.

It is anticipated that the implementation of the strategic plan can be started immediately and include tactical redesign planning and programming developmental software code and data file and database structures.

Upon completion of the review and evaluation of the strategic plan by the Commission, the $1.897 million will be used to implement that portion of the strategic plan scheduled for FY 1994.

Mr. Carr. What are the total costs estimated for completion of this project?

[The information follows:]

VOLPE's plan will assist the Commission in developing a long term general course of action and will provide a prioritized list of information systems needed to be developed and/or redesigned, recommendations for types of software and hardware platforms, and a more realistic estimate of cost and scheduling.

Prior to the strategic planning initiative, the Commission used a software conversion mathematical model which resulted in an estimate of $11–12 million to complete the redesign of the Commission's software and hardware systems. The estimate provided by the mathematical model cannot be affirmed until the long term plan is completed.

Mr. Carr. How did you determine that $1.897 million is needed for Fiscal Year 1994?

[The information follows:]

The Commission's estimate of $1.897 million in FY 1994 is the projected cost to fund a portion of the implementation phase of the hardware and software requirements relating to VOLPE's study of the Commission's Information Systems Strategic Planning requirements. This will include the development of the software code and data file and database structures. The formal plan and recommendations will be presented by VOLPE to the Commission later this fiscal year.

Mr. Carr. For the current fiscal year, $7.3 million is budgeted for user fees. I understand that you believe that you will not collect that amount.

What is your current estimate of the amount of user fee revenue that will be collected in fiscal year 1993?

[The information follows:]

The current estimate for total FY 1993 user fee collections range between $6,600,000 and $6,800,000 based on the average daily rate of collections. The shortfall is attributed to the delayed implementation of the *1992 Update* of fee items and a diminished fee item workload in some of the Offices. Also, while the Commission recognized the need to recoup a greater proportion of the costs associated with providing services to the public, at the same time the fee levels were adjusted so that they were not so high as to discourage parties from coming to the Commission.

USER FEE COLLECTIONS—FY 1993

Mr. CARR. As you know, user fees collected by the Commission are available to offset your total budget requirements.

How do you plan to address any shortfall this year in the budgeted amount?

[The information follows:]

The Commission plans to offset the estimated user fee shortfall of $500,000 to $700,000 by applying the savings in personnel compensation and benefits generated by the FY 1993 staffing reductions associated with 630 authorized staffing level. These staffing reductions will come from attrition and retirement of the current on board staff. Any additional savings will be achieved through reductions in nonpersonnel cost areas.

USER FEE COLLECTIONS—FY 1994

Mr. CARR. Your Fiscal Year 1994 budget proposes to offset $7.3 million of your program budget through the collection of user fees.

Is this still a good estimate?

[The information follows:]

The FY 1994 estimate of $7,300,000 for user fee collections is still valid. This estimate is based on the projected FY 1993 user fee collections and projected fee item increases contained in the upcoming *1993 Update,* which is adjusted annually for inflationary cost increases and re-estimates to the fee items for costs incurred in providing those services.

AMTRAK USER FEES

Mr. CARR. The ICC Inspector General determined last year that the Commission has not established fees for proceedings under the Rail Passenger Service Act and, therefore, is not assessing Amtrak for fees associated with the administrative costs of Amtrak-related proceedings.

What steps have you taken to address this matter?

[The information follows:]

Under the User Fee Task Force Study for FY 1993 currently underway, information is being collected to develop a database for possible new fees covering, among others, the following items:

(1) Applications under 45 U.S.C. 562(a) to set terms and compensation for the use of rail services, tracks, or facilities by the National Railroad Passenger Corporation (Amtrak);

(2) Applications under 45 U.S.C. 562(c) for emergency use of track and facilities by Amtrak and to set compensation for such use; and

(3) Applications under 45 U.S.C. 562(d) for conveyance of property to Amtrak.

TARIFF FEE BILLING STAFFING

Mr. CARR. Last year, we approved a transfer of three staff-years from the Office of the Secretary to the Office of the Managing Director to address the Inspector General's recommendations regarding centralizing the collection of tariff fees within the budget office, and improving your cash management controls.

What is the status of your efforts in this regard?

[The information follows:]

The computerized fee and billing system is in the testing stages. In March 1993, hardware and software was installed in the Budget and Fiscal Office by the Section of Systems Development and the Department of Transportation's VOLPE National Transportation Systems Center, which holds the contract for the software development of the fee and billing system program. Testing of the new system was conducted with the staff from the Office of Tariffs, the Office of the Secretary, and the Budget and Fiscal Office interacting with the new program. The results of the testing are being incorporated into the program.

After the remaining phases of development are completed, the system is expected to be operational on July 1, 1993. The Commission's final rules for Ex Parte No. 508, which codifies the Commission tariff filing fees and insurance service fee account procedures and policies and adopts debt collection regulations, have been issued and will be made effective to correspond with the operational date.

Mr. CARR. What is your proposed staffing level for this activity in fiscal year 1994?

[The information follows:]

The Budget and Fiscal Office has proposed three staff-years in FY 1994 for the fee and billing system process covering all Commission fee-related activities.

COMPLIANCE AND ENFORCEMENT PROGRAM

Mr. CARR. What are your priorities for your compliance and enforcement program in fiscal year 1994?

[The information follows:]

Apart from promptly seeking enforcement action to halt motor carrier operations being conducted without insurance, OCCA will continue to investigate and, where appropriate, bring enforcement action to halt fraudulent and corrupt practices, such as fraudulent misdescription of freight and the payment of kickbacks to shipper employees. Because of the problems associated with undercharges, OCCA will seek to ensure that carriers adhere to their tariffs and charge only the lawful rate, *i.e.,* enjoining the collection of rates where a carrier intentionally departs from its tariff in order to secure the freight and, later, seeks the higher tariff rate. Similarly, carrier practices involving intentional duplicate billing and overcharges with the view of retaining the money will be the object of enforcement action. Safety enforcement will remain a high priority and OCCA will take enforcement action against carriers placed out of service by DOT for safety reasons.

OCCA compliance activity will focus upon small passenger carriers that falsely claim that their vehicles' seating capacity does not exceed 15 passengers in order to operate with only $1.5 million insurance. OCCA's efforts will be directed at identifying those carriers that should be carrying $5 million in insurance because the vehicles they are operating have a capacity in excess of 15 passengers. Also, we will have a special project to identify household goods carriers which purposely underestimate household goods weights to shippers and then switch to higher rate quotations once they have the customer's goods in their possession.

ENFORCEMENT ACTIONS

Mr. CARR. What examples can you give of effective enforcement actions taken by the ICC in recent years?

The Commission's enforcement activities are directed toward all types of non-compliance with transportation statutes and related regulations. The Commission sought and obtained a large number of consent agreements and injunctions against motor carriers and brokers to stop violations and ensure future compliance with provisions of both the Interstate Commerce Act (ICA) and the ICC's regulations. Administrative actions also were conducted, resulting in the issuance of cease-and-desist orders and revocation of operating authorities. Some noteworthy examples include:

(1) Tariff-related cases—The Commission completed a number of cases involving tariff violations where, for example, the carrier charged less than its tariff rate on shipments transported as a common carrier; the carrier's written lease and leasing practices did not comply with Commission regulations; the carrier did not have an appropriate tariff on file with the Commission; and the carrier agreed to withdraw balance due bills for undercharges sent to customers and to refund all monies thus

far collected or subsequently received as a result of balance due billings for undercharges (except billing errors) within 90 days.

In *ICC v. Paul Yates Company, Advance Business Consultants, Inc. and Dennis Herring*, Civ. No. LRC–91–614 (E.D. Ark. June 26, 1992), an injunction was entered requiring Advance Business Consultants, Inc., and Dennis Herring to permit the Commission to inspect and copy records relating to the transportation activities of the Paul Yates Company. The Commission had sought access to balance due bills issued to shippers who employed the transportation services of Yates, a carrier no longer in business. The Court's order reaffirmed the Commission's authority to review the records of rate auditors.

In *ICC v. Lifschultz Fast Freight Corp., et al.*, Case No. 91C7556 (N.D. Ill. February 9, 1993), the Chapter 7 trustee and collection agent of the bankrupt carrier were permanently enjoined from collecting over $11 million in undercharge claims, based upon the difference between published discounts and higher class rates.

In *U.S. v. ACF Industries, Inc.*, Civ. No. 88–3482 (S.D. Ill. June 1991), the company agreed to pay $200,000 to settle a lawsuit involving the failure of the shipper to pay the lawful tariff rate. The Commission alleged that ACF obtained free movement of its rail cars by failing to tell the railroads the cars were moving to a scrap yard for scrapping.

On September 14, 1990, Lyphomed, Inc., entered into an Agreement of Settlement whereby it paid a civil penalty of $251,700 for misdescription of freight charges.

(2) Auto drive-a-way cases—In a case involving egregious service failures, *ICC v. Big Shot Express, Inc., and James B. Box, No. 91-87- CIV-ORL-18 (M.D. Fla. October 30, 1991)*, James B. Box was found in civil contempt of a February 1991 injunction and June 1991 order which found him in contempt of court for failing to deliver automobiles. Recognizing the continuing failure of Mr. Box to provide adequate service to the public, the Commission entered orders directing Mr. Box and his affiliated companies to comply with applicable statutes and regulations governing the transportation of automobiles and the brokering of transportation and to cease-and-desist from further violations. The Commission also ordered that the operating authorities of Mr. Box and his entities be revoked and barried automatic reinstatement upon compliance with insurance filing requirements. Docket No. MC–C–30188, *Big Shot Express, Inc., James B. Box, d/b/a Jimmie Box, et al.*, (not printed), served January 16, 1992.

(3) Safety/insurance—A number of enforcement actions resulting from bus checks led to injunctions where the operators transporting passengers to special events, such as casinos or bingo games, had no authority or insurance. Also, 18 enforcement actions were brought involving illegal passenger operations across the U.S.-Mexican border, where the carriers, primarily small van operations between Houston, TX, and points in Mexico, had no authority or insurance, as required by Federal law. Of major concern is that these carriers are not licensed by the Commission and, therefore, have not met the minimum insurance requirements prescribed by Federal law for the protection of the public.

(4) Mexican Moratorium—Under the law, motor carriers domiciled in Mexico or owned or controlled by citizens of that nation may not obtain certificates or permits to operate throughout the U.S. However, motor carriers domiciled in Mexico and owned or controlled by citizens of that nation may obtain Certificates of Registration to operate in the commercial areas of U.S. locations along border points at which the carriers enter the country. Mexican-domiciled motor carriers owned or controlled by U.S. citizens may obtain Certificates of Registration to operate to interior U.S. locations.

In an effort to enforce those provisions, the Commission revoked the Certificates of Registration of eight Mexican motor carriers because the companies misrepresented the nationality of their owners in applying for ICC approval to operate in the United States. In obtaining their ICC Certificates of Registration, each of the eight companies misrepresented that their majority owner was a U.S. citizen owning 55 percent of the company in order to obtain authority to operate to interior U.S. locations.

The Commission also instituted actions against carriers that applied for or held both Certificates of Registration and certificates or permits issued under 49 U.S.C. 10922(1)(2). In a consolidated proceeding involving No. MX–225697, *Lazaro O. Zazueta, Suspension of Certificate of Registration for Foreign Motor Carrier*, served March 8, 1990, and No. MC–244516, *San Pablo Trucking, Inc. Common Carrier Application*, filed July 1, 1991 (pending), the Commission ordered Zazueta to cease-and-desist from operations beyond the territorial scope of his Certificate of Registration and vacated the decision notice granting San Pablo's common carrier application, due to the fact that Zazueta and other persons owning and controlling San Pablo Trucking were citizens of Mexico.

(5) Fraud—In *U.S. v. L. Robert Tannenbaum and Arnold Montagano*, Cr. No. 92-652 (E.D. Pa. 1992), a Federal ground jury returned a 67-count indictment against two individuals arising from the operations of A-Line, Ltd., an ICC-certificated carrier. The grand jury identified four separate fraudulent schemes involving billings for undercharges amounting to over $17 million, fraudulent retention of over $70,000 in overpayments and duplicate payments, the payment of approximately $40,000 in kickbacks, and an attempt to cheat the Philadelphia Light Co. out of $2,000. Trial has not yet occurred.

In another significant action, *U.S. v. William "Shorty" Akin, West Coast Truckers Association, et al.*, Cr. No. 92-484-ER (C.D. Cal. 1993), WCTA and four individuals were found guilty of operating an insurance scam. The defendants had obtained operating authority for WCTA, but used the company only to sell nonexistent liability and cargo insurance to other truckers under a bogus lease agreement which resulted in the collection of a monthly fee for each piece of equipment operated by the trucker. The trucks were not covered by WCTA's insurance policy, leaving the public unprotected in the event of accidents or damage to cargo caused by the truckers.

In *U.S. v. James Beck, d/b/a Transportation Services, Inc. et al.*, Cr. No. 80-93065-07/RV (N.D. Fla. February 22, 1991), a number of defendants were found guilty of numerous counts of conspiracy to conduct a pattern of racketeering activity as an enterprise, participating in a conspiracy, mail fraud, wire fraud, and interstate transportation of stolen property, and were sentence to jail terms ranging from 18 months to 6 years (one defendant received a suspended sentence and was placed on 2 years' probation). The case involved a scheme by TSI to sell truckers cut-rate insurance by issuing sham leases to the truckers and underreporting the number of trucks covered under such lease arrangements in obtaining policies under a state-assigned risk plan.

In *U.S. v. Jack Etheridge*, Cr. No. 89-40-A (M.D. La. April 6, 1990), Jack Ivey Etheridge was sentenced to 5 years in prison and ordered to make restitution in the amount of $237,393 to victims of his fraudulent insurance scheme (sale of bogus insurance policies to passenger carriers).

In *U.S. v. Brian L. Datson and Stephen W. Mitchell*, Cr. No. 92-45-P-C-01 and No. 92-45-P-C-02, (D. Maine Feb. 1993), the defendants pled guilty to conspiring to defraud the U.S. Government and various trucking companies by submitting documents containing false statements misrepresenting that transportation brokerage firms owned by Datson and Mitchell were actually trucking firms. Each defendant faces a sentence of 5 years imprisonment and a 3-year period of supervised release to be served upon completion of any prison sentence.

In a case involving fraud on a motor carrier, *U.S. v. Terrance Kirkman and Ronald Johnson*, Crim. No. 90-022-S-HLR (D. Ill., March 1, 1991), Mr. Kirkman, the sole owner of Boise School Bus Company, was convicted of misappropriation of funds. At sentencing, the Government contended that Mr. Kirkman had embezzled $736,000, which left the carrier without sufficient resources to safely maintain its vehicles. Mr. Kirkman was sentenced to 4 years in prison, 300 hours community service, and 5 years probation.

(6) Duplicate payments/overcharges—In *ICC* v. *Holmes Transportation, Inc.*, Nos. 90-1208 and 92-1507 (1st Cir. 1993), the First Circuit affirmed a 1990 District Court ruling ordering disbursement of approximately $500,000 in overcharges and duplicate payments originally collected by Holmes between 1984 and 1988.

In *ICC* v. *CRST, Inc.*, No. C-87-0139, Cedar Rapids, IA (N.D. Iowa, May 4, 1990), CRST was permanently enjoined from failing to refund duplicate payments within 30 days and the carrier refunded in excess of $100,000 in illegally retained duplicate payments.

(7) Practitioner matters—Several disciplinary matters were conducted. In a consolidated proceeding involving a previously suspended practitioner, Ex Parte No. 487, *In the Matter of Mark S. Gray,* and No. MC-C-30195, *Motor Carrier Consultants, Inc. and Mark S. Gray—Cease-and-Desist Order—Against Unauthorized Practice,* the Commission found that Mark S. Gray had engaged and participated in conduct constituting continued practice as an ICC practitioner during the period of suspension and ordered him to cease-and-desist from any further conduct or activity constituting practice before the Commission. MCCI entered into an agreement of settlement whereby it would take specified actions to bring itself into compliance with the applicable law and ICC rules and regulations.

The results of these and other enforcement actions were given widespread publicity and reported by industry groups in their own releases and newsletters for distribution to their memberships.

COMPLIANCE AND CONSUMER ASSISTANCE STAFFING

Mr. CARR. In the past, this Subcommittee has added positions to the Office of Compliance and Consumer Assistance (OCCA). Now, your fiscal year 1994 request includes a reduction of five staff years for this office, from 185 FTEs to 180 FTEs. Did you give any consideration to exempting this office from additional staff reductions, given the importance of maintaining a meaningful compliance program?

[The information follows:]

We are keenly aware of the Subcommittee's interest and expectation that the Commission maintain a meaningful compliance program. We think the program results and accomplishments over the past two years have been both meaningful and very successful. There is no intention to diminish the program and, as the FY 1994 budget request shows, we expect to maintain investigation and litigation activities at the same levels as in FY 1993. The overall budget was prepared, however, on the basis of all offices sharing in the modest 2.5 percent Government-wide reduction, rather than singling out one program over another.

Mr. CARR. The February 1993 on-board strength of OCCA was 195 people. Will a reduction in force be necessary to achieve your proposed 180 FTE level in fiscal year 1994?

[The information follows:]

A reduction-in-force will not be necessary to achieve the proposed FTE level in FY 1994. Although the February on-board strength of OCCA was shown as 195, the Office's projected FTE for FY 1993 is 185. The difference is that cooperative education program students are included within the 195, but they do not incur chargeable hours against OCCA's ceiling (in accordance with OPM FTE guidance). OCCA expects further attrition in FY 1993 and projects that its FTE at the end of the fiscal year will be at 185. The 180 FTE ceiling for FY 1994 should not create a problem because of the expected retirement of a number of eligible OCCA employees.

OCCA FIELD OFFICE CLOSINGS

Mr. CARR. A number of OCCA field offices are staffed with just one or two persons, and in the past we have asked you to look at the possibilities for consolidating these smaller offices. Will any of the field offices be closed or consolidated with the proposed staffing reductions?

[The information follows:]

Over the years, the Commission has examined its field office structure, in line with the Committee's views, and reduced the number of offices from 78 to the present 20. Although we will continue to explore closure of smaller offices to determine if efficiencies would result, it will not be necessary to consolidate any offices to achieve the requested 180 staffing level for FY 1994. The five staff-year reduction from FY 1993 will be absorbed through retirements of eligible staff members. We have also endeavored to respond to the Committee's interest by using the cooperative education program students and work study students to augment our staff in the Commission's field offices.

INSPECTOR GENERAL'S STAFFING

Mr. CARR. What is the actual planned staffing level for the Office of Inspector General for fiscal years 1992, 1993, and 1994? In previous years, the IG has expressed his concern about having independent legal counsel. Has this situation been addressed by the Commission?

[The information follows:]

The actual and planned staffing levels for the Office of the Inspector General were 3 staff-years in FY 1992, 4 staff-years in FY 1993, and 4 staff-years in FY 1994. The Commission responded to the IG's concern for an independent legal counsel by increasing the staffing of the Office by 1 staff-year in FY 1993 and hiring an attorney for the exclusive use of the IG.

DESIGNATION OF CHAIRMAN

Mr. CARR. Ms. McDonald, you have been named chairman of the ICC by President Clinton, on an interim basis, pending designation of a permanent chairman.

When do you anticipate that designation will occur?

[The information follows:]

On February 5, 1993, President Clinton designated me to serve as Chairman pending his designation of a permanent chairman. I have had no discussions with the Administration concerning the designation of a permanent chairman.

COMMISSIONERS' AND TERMS

Mr. CARR. Would you review the status of each of the commissioners' seats?

[The information follows:]

COMMISSIONERS AND EXPIRATION OF TERMS

Edward J. Philbin, December 31, 1993
Gregory S. Walden, (recess appointment)
Gail C. McDonald, December 31, 1994
J. J. Simmons, III, December 31, 1995
Karen Borlaug Phillips, December 31, 1966

Commissioner WALDEN [commenting]. The term of a recess appointment is set by Article II, Section 2 of the United States Constitution, which states in pertinent part: "The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session." Therefore, even though I was appointed by the President for a term expiring December 31, 1997, my term will expire at the end of the First Session of the 103rd Congress.

Mr. CARR. When do you anticipate a nomination being made for the interim appointments?

[The information follows:]

President Bush appointed Gregory S. Walden on January 4, 1993, through a recess appointment, to a Commissioner slot vacated by Commissioner Edward M. Emmett. The nomination for the remainder of the five-year term will be made by the President. The Commission has not been advised when a new Commissioner will be nominated.

ON-BOARD EMPLOYMENT

Mr. CARR. How many employees are currently on board?

[The information follows:]

The on-board strength as of April 3, 1993, is 631. This figure includes both full-time permanent employees and part-time employees and does not equate to either current "annualized" or "projected" FTE (full-time equivalents) usage. As of the pay period ending April 3, 1993, there were 598 full-time permanent employees, 22 special appointments, and 11 co-op appointments. Co-op appointments are not considered in determining FTEs and the 22 special appointments do not translate into 22 FTEs because of the differing characteristics surrounding these employees, i.e., different work schedules, beginning dates of service, and lengths of service.

STAFFING REDUCTIONS

Mr. CARR. A reduction of 16 staff-years is proposed for fiscal year 1994 as compared with your authorized level for fiscal year 1993.

What is the basis for the allocation of the staff-year reduction across the offices within the ICC?

[The information follows:]

The Commission sought to distribute the reduction as equitably as possible among the offices without impairing any office's ability to perform its critical functions. The Commission's two smallest offices, the Office of Hearings and Office of Public Assistance, were unaffected by the reductions as were the Commissioners and their Offices and the Office of the Managing Director. It was felt none of these offices could sustain staffing reductions and still accomplish its core responsibilities. All other Commission offices received an across-the-board reduction of approximately 2.5 percent.

Chairman McDONALD, joined by Vice Chairman SIMMONS [commenting]. I am compelled to respond to Commissioner Walden's comment on this question. Current authorized staffing in Commissioner's offices reflects the resources necessary to ensure considered review of matters before the Commission as well as allowing for thorough consideration of policy issues.

A reduction of three staff-years in the Office of the Managing Director would have a severe impact on its ability to maintain the current level of services provided to the Commission. The core responsibilities of the Office are varied and impact directly on the overall administration of the Commission.

The Office is comprised of the Managing Director's immediate office, the Budget and Fiscal Office, the Personnel Office, the Section of Systems Development, and the Section of Administrative Services. While located in the Washington headquarters building, the full range of services is provided throughout the Commission, both headquarters and the field.

The Managing Director's office also has responsibility for an Information Resource Management Unit, the Privacy and Freedom of Information Act administration, and the agency's Ethics Program. The Managing Director's counsel represents the agency before the Merit Systems Protection Board and the Equal Employment Opportunity Commission.

Finally, the tariff fee billing and collection process has been assigned to the Budget and Fiscal Office at the recommendation of the Inspector General, and three staff-years were provided by Congress for this purpose.

This broad range of duties and responsibilities cannot be properly addressed with less than current staffing.

In response to the statement that OPA could be reduced in size because it often must involve another Commission office to respond to a question, quite the reverse is true. OPA rarely transfers a call, other than a complaint, to another ICC office. Conversely, because of the broad knowledge possessed by OPA staff, of the approximately 20,000 annual calls handled by that office, a substantial number are initially received in other offices around the Commission and ultimately transferred to OPA for appropriate response.

As projected by OPA, implementation of ICC's automated telephone response system has resulted in a substantial reduction in the number of authority and insurance status calls handled by that Office in the past. Such inquiries are being handled very efficiently by the automated system. No automated system, however, can address questions requiring information beyond those of a demographic nature or ones relating to general information about a particular file. Callers using the automated telephone response system who need additional data or information on topics not covered by prerecorded messages are transferred from that system to OPA.

With regard to the need and appropriateness for OPA to participate as a party in Commission adjudications, only once since its creation in 1987 has OPA been named a party to an ICC proceeding—FD No. 30695, the Springfield Terminal case. That proceeding was unique and involved many extenuating circumstances.

Commissioner PHILBIN [commenting]. In this austere economic environment, I believe that the Office of Public Assistance should be abolished and that based on the ICC-related workload the Office of Hearings should consist of one ALJ and one support staff. OPA essentially provides a taxpayer subsidized free legal clinic to entities who could easily avail themselves of the private bar or who with the assistance of the newly installed Automated Response Capability, could telephone directly the responsible offices within the Commission without the intercession of OPA.

Commissioner WALDEN [commenting]. I disagree with the view that certain offices could not sustain staffing reductions without failing to accomplish their "core responsibilities." In my view, the FTE level of 45 for Commissioners and the satellite offices may be reduced to 39 without *any* diminution of responsibility or efficiency. At present, three Commissioners are assisted by one or two attorneys; the other two have three attorneys. I believe all Commissioners could perform their job with one fewer persons. Also, combining the Offices of External Affairs and legislative affairs under a common supervisor would allow for a reduction of one SES position.

I do not see how a modest reduction of three positions from the Office of Managing Director (from 61 to 58) would prevent that Office from performing its "core responsibilities."

Although the Office of Public Assistance (OPA) is relatively small, it may be reduced by three positions (from 12 to 9) and still accomplish its "core responsibilities." Currently, there is duplication in the Commission's public assistance functions, because OPA often must involve another Commission office to respond to a question. Certainly, it is inefficient to involve two Commission employees in receiving and responding to a question when one employee could be trained to receive and respond to such questions. Moreover, the implementation of the automated response telephone system is expected to permit reductions in Commission staff, just as its introduction elsewhere in government and industry has led to a reduced need for personnel. Finally, I question the need (and the appropriateness) for OPA to participate as a party in Commission adjudications where the interests of all persons may be adequately represented by private parties and intervenors.

PLANNED STAFFING REDUCTIONS

Mr. CARR. Please provide a table for the record which shows the planned staff-year reductions for fiscal year 1993 and fiscal year 1994, as compared with your authorized FTE staffing for fiscal year 1993 for each office within the Commission.

[The information follows:]

OFFICE	FY 1993 AUTHORIZED STAFFING	FY 1993 STAFFING REDUCTIONS & REPROGRAMMING	FY 1993 REVISED STAFFING	FY 1994 STAFFING REDUCTIONS	FY 1994 CONGRESSIONAL REQUEST
Commissioners and their Offices	45	-3	42	3	45
Secretary	76	10 [1]	86	7	93
General Counsel	21	0	21	-1	20
Proceedings	94	-10 [1]	84	-13	71
Hearings	5	0	5	0	5
Public Assistance	12	0	12	0	12
Economics	73	0	73	-2	71
Tariffs	64	-1	63	-1	62
Compliance and Consumer Assistance	185	0	185	-5	180
Managing Director	61	-2	59	2	61
Commission Totals	636	-6	630 [2]	-10	620

[1] The FY 1993 Reprogramming of 20 positions is projected as 10 staff-years due to the anticipated approval in April 1993 by the House Appropriation Subcommittee on Transportation. The FY 1994 annualized staffing level of the 20 positions has been offset by the 2.5-percent staffing reduction.

[2] The 630 figure represents a 1-percent cut from FY 1993 authorized levels and does not equate to either current "annualized" or "projected" FTE usage.

ON BOARD EMPLOYMENT DATA

Mr. Carr. Please update the data found on page 219 of last year's hearing record concerning on board employment.

[The information follows:]

ON BOARD EMPLOYMENT DATA

	Full-Time Permanent Positions	Other Than Full-Time Permanent Positions	End of Period Total[1]
Fiscal year 1989:			
1st quarter	679	25	704
2d quarter	682	25	707
3d quarter	673	27	700
4th quarter	675	26	701
Fiscal year 1990:			
1st quarter	659	21	680
2d quarter	642	16	658
3d quarter	644	24	668
4th quarter	642	15	657
Fiscal year 1991:			
1st quarter	626	16	642
2d quarter	620	15	635
3d quarter	609	14	623
4th quarter	610	12	622
Fiscal year 1992:			
1st quarter	611	14	625
2d quarter	601	14	615
3d quarter	610	22	632
4th quarter	604	27	631
Fiscal year 1993			
1st quarter	599	29	628
2d quarter . . . . (as of March 20, 1993)	599	31	630

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[1] The end of period total does not correspond to the actual number of FTEs.

STAFFING REDUCTIONS AND WORKLOAD IMPACT

Mr. CARR. The Commission's budget submission to OMB included a reduction of 62 staff-years from the fiscal year 1993 authorized level. Please provide for the record information regarding how these staff-year reductions would be allocated among the ICC's offices, and what activities would be eliminated or reduced as a result of the lower staffing level.

[The information follows:]

The staff-year reduction in the Commission's FY 1994 OMB submission was allocated as follows:

Office	FY 1993 authorized level	Reduction	Fy 1994 OMB request
Commissioners and their offices	45	(1)	46
Secretary	76	6	70
General counsel	21	4	17
Proceedings	94	9	85
Hearings	5	0	5
Public assistance	12	9	3
Economics	73	12	61
Tariffs	64	5	59
Compliance and consumer assistance	185	17	168
Managing director	61	1	60
Total	636	62	574

The effect of these staff-year reductions in FY 1994 on the operations of the Commission would be significant. Commissionwide public outreach and assistance activities would be nearly eliminated. In the Office of Public Assistance, public assistance functions would be abolished, with only the special counsel function remaining, and in the Office of Economics, public assistance functions would be completely eliminated.

Other activities that would be reduced include providing tariff liaison and counseling services in the Office of Tariffs; the Office of Compliance and Consumer Assistance would cease handling routine complaints and address only emergency complaints and those on Congressional referral; the Office of the Secretary's library and reference services activities as well as the examination program for non-attorney practitioners would be curtailed, extensively modified, or eliminated; the Office of Economics' annual audits of transactions between railroads and affiliate companies, quarterly compilation of motor carrier financial data, and motor fuel price monitoring, all of which would be discontinued, and monitoring of each Class I railroad's financial condition, which would be discontinued except under special circumstances.

UNDERCHARGE CASES PENDING

Mr. CARR. For the record, please provide the number of undercharge cases pending before the ICC in fiscal years 1991 and 1992 and your estimates for fiscal years 1993 and 1994.

[The information follows:]

In FY 1991, the Commission had 257 pending undercharge cases. In FY 1992, 364 undercharge cases were pending. The number of undercharge cases cannot be predicted with any degree of reliability for FY 1993 and FY 1994. During the period of October 1, 1990 through April 16, 1993, the Commission has decided and disposed of 238 undercharge cases. There are potentially many thousands of cases which either could be referred by the courts to the Commission, depending upon the courts' future decisions on various legal issues, or brought to the Commission in the form of petitions filed by individual parties. However, should such large numbers be referred to the Commission, we will attempt to devise lead case and batching procedures to enable us to handle them.

P*I*E-RELATED UNDERCHARGE CLAIMS

Mr. CARR. What is the impact of the U.S. District Court's decision regarding P*I*E Nationwide, a bankrupt trucking company, which has brought 32,000 undercharge claims against shippers?

[The information follows:]

The P*I*E trustee has brought more than 32,000 undercharge claims in bankruptcy court, seeking in excess of $1.5 billion, and has already collected roughly $125 million in settlements and default judgments. The most encompassing theory relied upon by P*I*E's trustee concerns whether discount rate tariffs, which identified shippers by account code numbers rather than by name, are invalid or unlawful, thereby entitling the trustee retroactively to collect a higher filed non-discount rate. This theory accounts for roughly 60 percent of all monies sought by the trustee, i.e., nearly $1 billion.

Last April, the ICC instituted an administrative proceeding against P*I*E and its collection agents—Fidelcor Business Credit Corp. and Phoenix Advisors and Collections, Inc., directing them to "show cause" why they should not be ordered to cease and desist from attempting to collect undercharges based on the shipper-coded theory until they had obtained a Commission review of their tariffs to determine their validity and the relief which would be appropriate if they were found to be invalid.

However, in June 1992, the Bankruptcy Court overseeing P*I*E's liquidation enjoined the Commission (1) for taking action against P*I*E and its agents in that "show cause" proceeding and (2) from initiating or maintaining any proceeding involving assets of the P*I*E estate that would require P*I*E or its agents to participate before the ICC. *Whitaker v. ICC (In Re Olympia Holding Co.),* No. 92–2747 (Banker, M.D. Fla. June 8, 1992). The Commission has appealed that ruling. *ICC v. Whitaker,* No. 92–603–Civ–J–3A16 (M.D. Fla. filed July 13, 1992).

By order dated February 12, 1993, the United States District Court for the Middle District of Florida adopted a management plan that assumed a supervisory role over the undercharge litigation in the P*I*E Nationwide bankruptcy case. *Whitaker v. Dixie Tank Co.,* No. 91–1071–Civ–J–16. That order establishes a lead case approach to each of some eight or nine issues common to numerous undercharge cases. This order asserts some needed control over the conduct of undercharge cases which the P*I*E trustee has aggressively pursued and begins to support the ICC's previously unsuccessful efforts. However, it unfortunately does not prevent the Trustee from pursuing claims and settlements while the legality of those claims is being litigated.

The February 12, 1992, order applies the lead case approach to decide the shipper-coded issue as the first of a number of such issues to be resolved. All pending cases which contain this issue will be bound by the court's ruling in *Whitaker v. FritoLay,* 92–825–Civ–J–16. Briefs will be filed by mid-May. The order also stays discovery on all proceedings pending before the district court but not the more numerous cases pending before the bankruptcy court where the claim is based on the shipper-coded theory.

The ICC believes that there is precedent binding on the district court which requires that court to find that a trustee cannot disavow the validity of a previously collected filed rate, and that all of the shipper-coded claims should be stricken. See *Magnolia Provision Co. v. Beaumont S.L. & W. Ry. Co.,* 20 F.2d 384 (S.D. Tex. 1927), aff'd, 26 F.2d 72 (5th Cir.), cert. denied, 278 U.S. 620 (1928). This Fifth Circuit precedent is binding on the Eleventh Circuit (the judicial circuit in which P*I*E is located) because, in *Bonner v. City of Prichard,* 661 F.2d 1206, 1207 (11th Cir. 1981), the Eleventh Circuit adopted the precedent of the Fifth Circuit rendered prior to October 1, 1981. Support for this position is also provided by a decision of the Ninth Circuit Court of Appeals. *ICC v. Transcon Lines,* 981 F.2d 402 (9th Cir. 1992). If the district court applies the *Magnolia Provision* precedent some 18,000 of the 32,000 pending the P*I*E adversary proceedings should be disposed of.

In addition, the district court established a lead case for resolving another significant issue (should the ICC or the court decide the question of whether past shipments moved as contract carriage, for which no rate need have been filed with the ICC, or as common carriage) and indicated its intention to follow the same approach in resolving common issues in the remaining adversary proceedings. The trustee seeks to show that most of the contracts were invalid and to collect the higher, filed common carriage tariff rates.

The contract disavowal theory amounts to roughly $300 million in claims, and underlies approximately 30 percent of the filed claims. Thus, the district court could refer as many as 9,000 claims to the ICC to resolve the contract versus common carriage issue. By mid-April, the trustee must provide the court with a list of all pending cases containing this issue, at which time it is anticipated that a briefing schedule will be established in the lead case of *Whitaker* v. *Capitol Core,* Nl. 91–1071–Civ–J-16.

The district court also modified the bankruptcy court's June 1992 injunction. The modifications permit the ICC to decide any issues which the court has or may refer to it, within its primary jurisdiction. In particular, the modifications permit the ICC to proceed with one case (*Fidelcor Business Credit Corp.* v. *Dillard Dept. Stores,* No. 91–953–Civ–J–16) which the court referred last July 1992. *Dillard* raised two issues: (1) whether P*I*E's trustee can enforce loss-of-discount provisions in P*I*E's tariffs notwithstanding the carrier's failure to comply with preconditions to the enforcement of such provisions contained in the ICC's credit regulations, promulgated under 49 U.S.C. 10743; and (2) whether the higher, non-discounted rate is unreasonably high.

In the *Transcon* case, the Ninth Circuit Court of Appeals upheld similar loss-of-discount tariff provisions (without referring the issue to the ICC) on the theory that the filed rate takes precedence over the ICC's credit regulations (*ICC* v. *Transcon Lines,* 981 F.2d 402 (9th Cir. 1992)). Other courts have upheld the ICC's position that such provisions are unenforceable unless the ICC credit regulations have been strictly complied with (*Delta Traffic Service Inc.* v. *ADM of Miss., Inc.,* No. 91–1098 (5th Cir. 1992); *Lifshcultz Fast Freight, Inc.,* v. *National Mfg. Co.,* 804 F. Supp. 1059 (N.D. I11. 1992)), and the ICC is seeking Supreme Court review of the *Transcon* decision.

The court's order did not resolve certain continuing problems. In a second order, dated February 17, 1993, the district court clarified that any adversary proceedings pending in bankruptcy court, where no motions were filed to withdraw the reference, would remain under the bankruptcy court's jurisdiction. Thus, the trustee remains free to seek discovery and to obtain settlements and default judgments in these cases. The district court has not yet ruled on the ICC's request that it require that trustee to place any monies collected by way of settlement or default judgment into an escrow fund.

REITER V. COOPER UNDERCHARGE CASE

Mr. CARR. Please discuss the U.S. Supreme Court's decision in *Reiter* v. *Cooper* and its importance to the undercharge issue.

[The information follows:]

In *Reiter* v. *Cooper,* 61 U.S.L.W. 4232 (Mar. 38, 1993), the Supreme Court held that a shipper challenging the reasonableness of a tariff rate may raise that challenge as a counterclaim to a carrier's suit to recover the filed tariff rate and that, where such a counterclaim is asserted, the primary jurisdiction doctrine requires the court to stay the proceedings so as to give the parties reasonable opportunity to seek an administrative rate reasonableness ruling from the ICC. This decision follows as the Court's determination in *Maislin Industries, U.S.* v. *Primary Steel, Inc.,* 497 U.S. 116 (1990), that the carrier is entitled to collect retroactively its filed rate unless that rate is unreasonably high. The *Reiter* decision rests on the premise that 49 U.S.C. 11705(b)(3) provides shippers with an express cause of action for reparations (damages) against carriers who seek to collect unreasonable rates. Thus, the shipper may raise the issue of rate reasonableness as a counterclaim, rather than a defense, to the undercharge action. And, because the cause of action relates to the same shipments as the carrier's undercharge action, it is a claim for recoupment, not for setoff, and is not barred by the statute of limitations, so long as the undercharge claim is timely. Although the Court recognized the trial court's discretion to adjudicate a counterclaim separately from the carrier's undercharge claim, it cautioned that, especially where the carrier is bankrupt, the equities do not favor piecemeal adjudication.

Before *Reiter,* the ICC outlined the approach to be used in determining the reasonableness of rates in motor carrier undercharge cases. *Georgia-Pacific Corp.—Pet. for Declar. Order,* 9 I.C.C.2d 103 (1992). The ICC decided that, with respect to past shipments, it will employ a market-based approach to determining reasonableness. 9 I.C.C.2d at 157. It will examine evidence indicating the "location of the market-based cluster of price/service alternatives for the issue traffic." *Id.* The ICC expressly stated that it would not determine the "maximum" reasonable rate. *Id.* at 158. Thus, carriers cannot substantiate a claim for a particular rate based on any specific cost-based formula. *Id.* at 165–66. In the *Georgia-Pacific* decision the Commission indicated its intention to apply the approach developed therein to the 250 rate reasonableness cases then pending.

Following *Reiter,* the Commission sought comments in the *Georgia-Pacific* proceeding on March 31, 1993, on the impact, if any, of the *Reiter* decision on the rate reasonableness approach articulated in *Georgia-Pacific*, including any evidentiary concerns with it.

Once the *Georgia-Pacific* review is completed, the approach adopted will be applied to deciding the 250 pending rate reasonableness cases. However, it is anticipated that there will be a flood of rate reasonableness proceedings initiated before the ICC as a result of the *Reiter* decision. The issue arises not only in the *Maislin*-type negotiated but unfiled rates context, but also where insolvent carriers have been seeking to disavow discounted filed rates and to collect higher filed rates, or to disavow that the shipments move under contract carriage and to collect retroactively higher filed common carriage rates. As the lower courts learn of *Reiter,* we expect they will stay those actions to permit the shippers to bring their claims to the ICC.

STAFF-YEARS DEVOTED TO UNDERCHARGE ISSUES

Mr. CARR. What are your estimates of the staff-years that will be devoted to undercharge issues in fiscal year 1993 and fiscal year 1994?

[The information follows:]

The following staff-year estimates devoted to undercharge issues assume the Commission's ability to devise case management techniques capable of handling a potential surge in court referrals.

STAFF-YEARS DEVOTED TO UNDERCHARGES

Office	Fiscal year 1993	Fiscal year 1994
Commissioners and their offices	3.0	3.0
Secretary's Office	5.0	5.0
Office of Economics	0.7	0.7
Office of Compliance and Consumer Assistance	1.5	1.2
Office of Proceedings	3.0	4.9
Office of Tariffs	5.0	5.0
Office of Public Assistance	0.75	0.75
Office of General Counsel	3.5	4.0
Total	22.45	24.55

OPM MANAGEMENT STUDY

Mr. CARR. The study indicates that "Another major set of problems for the ICC results from continuing controversies between the Bush Administration and the Congress. While Congress has not agreed with that proposal, the Bush Administration's view that the agency should be eliminated has resulted in a continuing controversy that has made it difficult for the ICC to operate efficiently."

Do you agree with that view?

[The information follows:]

I think it goes without saying that operating an agency under the cloud of potential sunset is difficult, particularly in the area of employee morale. However, I do not believe that our efficiency has been compromised due to the commitment of our dedicated employees.

Mr. CARR. Given that the Clinton Administration has indicated no immediate plans to submit legislation to sunset the ICC, what are your plans to address the problems identified in the management study?

[The information follows:]

My office is currently reviewing the study. In addition, I have asked employees of the Commission to give me their reactions and suggestions. When this process is completed, I hope to make specific recommendations to the Commission for addressing the problems identified in the study.

Mr. CARR. The study recommends that a new position of Executive Director be created who has both the authority and the subject-matter competence to help the chairman coordinate and direct all of the ICC's activities.

How would the responsibilities of this position differ from those of the current managing director?

[The information follows:]

I don't believe the responsibilities would be different. That is why I am looking at strengthening the position of Managing Director to accomplish the goal recommended by the study without creating a new position.

ORGANIZATIONAL CHANGES

Mr. CARR. The management study suggested that several organizational changes should be considered. These included the possible consolidation of the Office of General Counsel and the Office of Proceedings, as well as the possible consolidation of the three offices—Office of External Affairs, Office of Congressional/Legislative Affairs, and the Office of Public Assistance—that deal with assistance to the public.

What are your plans to consolidate these offices?

[The information follows:]

While the OPM Management Study recommended several organizational changes, the Commission intends to wait until the designation by the Administration of a permanent Chairman before proceeding with any organizational changes. However, many of the suggested organizational changes are not practical.

Consolidation of the Offices of the General Counsel and Proceedings is not an appropriate merging of legal functions, because these two Offices have separate and distinct legal functions. The Office of Proceedings is primarily responsible for preparing opinions on various legal issues affecting proceedings before the Commission, identifying and addressing legal issues, and drafting decisions for consideration by the Commission. The Office of the General Counsel is responsible for the litigation practice of the Commission and acts as defense counsel for the Commission in preparing and filing pleadings in the courts, delivering oral arguments, negotiating with counsel for other parties, and advising and counseling the Commission on steps and actions in litigated cases.

The three offices that deal with assistance to the public are not attractive candidates for consolidation, because the Office of Public Assistance provides the statutory public counsel functions for parties coming before the Commission and is involved in ex parte discussions with parties. The Office's legal staff provides information and counseling to affected groups and persons concerning the Commission's practices and procedures and coordinates information to State and local representatives and fosters an effective Federal/State relationship.

The Offices of External Affairs and Congressional and Legislative Affairs are prime candidates for consolidation, however, due to similarities in their Governmental/informational functions. One option is to return to the organizational structure in existence during the 1980's with the congressional, external, and public affairs activities performed by one office.

Commissioner PHILBIN [commenting]. The Office of General Counsel and Office of Proceedings should be consolidated. There should be one General Counsel with jurisdiction over two divisions, the Division of Proceedings and the Appellate or Solicitor division. A consolidation under common leadership and control would eliminate friction between the two offices, yet still permit consultation and better serve the Commission by having a single individual responsible for an cognizant of all legal matters.

Commissioner WALDEN [commenting]. I do not believe the Commission should opine on the subject of whether we should merge the Office of Proceedings and the General Counsel. The OPM study found that "a number of senior ICC officials believe that much of the work of the Office of General Counsel overlaps with the work of the Office of Proceedings to such an extent that the two staffs spend too much time arguing with each other." While not making a specific recommendation, the OPM study recommended the Commission discuss this issue during the proposed strategic-planning stage. Because the Commission has not yet implemented OPM's recommendation regarding the development of a strategic-planning effort, it is premature to give any decisive answer to this subject.

EMPLOYEE MORALE

Mr. **Carr**. In the past, low employee morale at the ICC has been an issue, and the management study suggests that continued attention be paid to employee morale, training, and development. In fact, the management study recommends that "a major effort be made to strengthen ICC's personnel and training programs."

How would you characterize current staff morale and productivity?

[The information follows:]

The Commission works very hard at maintaining strong morale. The perception that the ICC has a serious and pervasive morale problem is not necessarily reflected in the OPM employee survey. Individuals responded that they like their jobs; but, as in the case of many organizations, they also indicated that they would like to see additional developmental opportunities and clarification of how they fit into the bigger picture of the organization. Productivity of the Commission has been maintained by encouraging teamwork and providing the necessary means and tools to make the Commission's employees jobs easier and more efficient and productive.

Chairman **McDonald** and Vice Chairman **Simmons** [Commenting]. The majority's response does not adequately assess the impact on employee morale of continuing calls for the elimination of the Commission. Undoubtedly, employee morale is negatively affected with each proposal for elimination of the Commission or a reduction in force. As downsizing at the Commission has continued, employees have witnessed the termination of the positions of their colleagues, and in recent years have experienced an increasing workload to compensate for the reduction in force. Commission management will continue to face the challenge of improving employee morale so long as the Commission faces calls for its elimination.

ABSENTEEISM AND SICK LEAVE USAGE

Mr. **Carr**. For the record, please update the chart on absenteeism and sick leave usage shown on page 25 of last year's hearing.

[The information follows:]

ABSENTEEISM AND SICK LEAVE USAGE

	Leave year [1]			
	1991 actual	1992 actual	1993 projected	1994 [2] projected
Absenteeism (nonpay hours)	7,540	12,290	12,000	11,800
Sick leave usage (hours)	64,532	52,987	51,000	50,200
Staff-year usage (fiscal year) [1]	630	614	630	620

[1] Leave based on leave year of January 1 through December 31. Staff-year usage based on fiscal year of October 1 through September 30.

[2] Leave projected upon actual leave-year usage and staff-year usage as of March 6, 1993.

TRAINING AND PROFESSIONAL DEVELOPMENT

Mr. **Carr**. What are your plans for implementing the management study's recommendations for improved employee training, organizational communication with employees, and the need for professional staff development?

[The information follows:]

Until the results of the Management Study are evaluated, the Commission will postpone implementation of any of the recommendations for employee training, organizational communications and professional development. Additionally, any strengthening of the Commission's personnel and training programs would require additional funds which have not existed in recent years and are not expected to be available in the near future. Recent appropriation bills have contained spending limitations for training which could impact on any improved personnel and training programs. The Commission will also consider procuring training courses through inhouse contracts and the Federal organizations such as the Small Agency Council. Both of these methods of training could be done economically.

INFORMATION PROCESSING INTEGRATION

Mr. CARR. The management study made a number of recommendations related to information processing and the need to update and integrate the Commission's automated data processing and management information systems.

What are your needs in this area, and how are they addressed in your fiscal year 1994 budget submission?

[The information follows:]

The Interstate Commerce Commission is currently engaged in the development of long-term strategic information systems plan which will be the foundation for the replacement of the Commission's current antiquated software and hardware information systems. The Department of Transportation's VOLPE National Transportation System Center, which is assisting the Commission in the development of the Information Systems Strategic Plan, has taken the management study recommendations into consideration. The results of the plan will be made available to the Commission in the third quarter of FY 1993 and will outline a general course of action and provide a prioritized list of information systems that need to be developed and/or redesigned. In addition, it will provide recommendations for types of software and hardware platforms, and a more realistic estimate of cost and scheduling.

The Commission's request of $1.897 million in FY 1994 is to fund the implementation of part of the initial redesign of the Commission's hardware and software platforms to include the development of the software code and data file and database structures.

USER FEE COLLECTION

Mr. CARR. In the area of financial management procedures and controls, the management study was somewhat critical of the ICC's management of fee revenues, especially the establishment of fee levels and the collection of fee revenues.

What steps is the Commission taking to maximize the collection of fee revenue?

Please include a chart that shows projected and actual fee revenue collected each fiscal year from fiscal year 1988 through fiscal year 1993.

[The information follows:]

The Commission has issued annually decisions concerning fee schedule increases necessary to offset the current cost of providing services to the public. This maximizes, to the extent possible, the revenue that may be equitably generated from the performance of Commission services without unfairly burdening the using public with exorbitant fees.

In addition, the Commission is currently instituting a computerized fee and billing system which is due to be operational by June 1, 1993. This system will enhance fee billing and collection, make the process more efficient, and enhance the controls over the fees received and the accounts receivable. In March 1993, hardware and software was installed in the Budget and Fiscal Office by the Section of Systems Development and the Department of Transportation's VOLPE National Transportation Systems Center, which holds the contract for the software development of the fees and billing system program. The Commission's final rules for Ex Parte No. 508, which codify the Commission tariff filing fees and insurance service fee account procedures and policies and adopts debt collection regulations, have been issued and will be made effective to correspond with the operational date.

Because the Commission was not authorized to offset its budget estimates with user fee collections until FY 1992, fee projections prior to FY 1992 were not performed. A fee collection trend analysis has been performed since then to allow for the projection of user fees. The actual fee receipt data and FY 1992 and FY 1993 fee projects follow.

Fee Collection Trend Analysis - FY 1988 to FY 1993

Fiscal Year	Applications Secretary	Applications Field	Tariff Filing Receipts	Fees for Administrative Services	Insurance Fees	Totals
FY 1988 Actual:	2,677,255	496,141	1,275,671	47,212	391,730	4,888,009
FY 1989 Actual:	2,936,288	608,710	1,270,502	58,473	523,110	5,397,082
FY 1990 Actual:	3,722,445	677,222	1,737,135	72,404	523,460	6,732,665
FY 1991 Actual:	3,065,747	751,140	2,035,609	59,568	546,868	6,458,931
FY 1992 Projection:[1]	3,561,894	778,397	1,725,330	60,000	552,902	6,678,524
FY 1992 Actual:	2,983,026	902,339	1,626,663	61,447	725,905	6,299,381
FY 1993 Projection:[2]	3,400,650	974,527	1,838,129	63,386	590,617	6,867,309

[1] Projection cited in the FY 1993 House Hearing (February 19, 1992).

[2] Projection as of February 1993.

Mr. **Carr**. The management study suggested that existing fees do not fully cover the Commission's administrative costs.

Do you agree with the management study's observations in this regard?

[The information follows:]

The Management Study specified that the Commission should conduct an annual review of user fees given the importance of the user fee revenue in sustaining its operations. In accord with its regulations at 49 CFR 1002.3, the Commission updates its user fees annually. User fees are updated based on the cost study formula set forth in 49 CFR 1002.3(d) and cover all applicable administrative and overhead costs. The most recent update entitled *Regulations Governing Fees for Services—1992 Update*, was served November 6, 1992. In that decision, the Commission decided not to increase certain fee items to a level that would cover all costs due to concerns that this would unfairly burden the using public with exorbitant fees.

USER FEE COLLECTION INTERNAL CONTROLS

Mr. **Carr**. Last year, a Commission employee was indicted and arrested for alleged theft of $10,000 in motor carrier application fees.

What procedures have been put into place to prevent a reoccurrence of this type of theft?

[The information follows:]

The Tariff Fee Task Force has made recommendations for housing the debt collection and credit management function within the Budget and Fiscal Office. Until the Task Force's recommendations are fully implemented, procedures have been put in place in the Office of the Secretary, consistent with recommendations of the Inspector General and with pertinent Treasury and General Accounting Office (GAO) provisions.

The procedures include, among other things, the following key elements:

1. When fee items arrive, they are immediately moved to a secure and open area for processing, checks are endorsed, applications and fees cross-referenced, and data are entered into a computer database.
2. This fee remittance process is done by two employees, in plain view, under the supervision of the Unit supervisor.
3. As each fee item is opened, the employees processing the fees immediately stamp the remittance with a computer-generated control number and the Commission deposit stamp. These measures are intended to prevent the cashing or conversion of remittances and to permit "cross-referencing" of the remittance and application.
4. The employees processing fees immediately place checks, cash, etc., into a lockbox or safe. At the end of the day, after reconciling all fees collected, the employees place the remittances in a safe for transfer to the Budget and Fiscal Office the next morning.
5. No employees, except the first and second level supervisors and one employee, have the combination to the safe and a key to the lockbox.
6. Only the first and second level supervisors know the password to the computer database for making changes in the fee data and such changes are done only when one of the Supervisors and one other employee are present.
7. Only authorized employees are allowed within the secure area where the fee items are processed or in the rooms where the fee application examining unit work stations are located.
8. Accumulation of offices' collections and preparation of the Commission's daily deposits in the Budget and Fiscal Office are handled in accordance with Treasury and GAO guidelines and checks and cash are secured in a safe, with documented transfers of control by employees, until the deposits are carried to the bank.

SES POSITIONS

Mr. **Carr**. This Subcommittee has discussed with you in the past our concern that the ICC has a disproportionately large number of SES positions.

Has that situation been alleviated at all?
[The information follows:]

The Commission originally was allocated 42 SES slots in 1980. With the changes to the ICA and the reduction in staffing since then, the Commission has reduced its SES positions to the current 23 authorized positions, 3 of which are vacant. During the past decade, the Commission has eliminated many SES positions that became nonessential due to changes in the Commission's mission or organization.

The Commission currently has one authorized SES per approximately 27 employees. This is comparable to the SES employee ratio in other regulatory Commissions.

Mr. CARR. Please provide the number of ICC staff whose base salary exceeds: one, $60,000; and two, $80,000 for fiscal years 1993 and 1994, and show the percentages of those staff-years to total ICC headquarters nonclerical staff-years.

[The information follows:]

	Number of staff base salary exceeds exceeds $60,000	As percent of headquarters nonclerical	Number of staff base salary exceeds $80,000	As percent of headquarters nonclerical
Fiscal year:				
1993	205	51.4	85	21.3
1994	206	51.6	90	22.6

WORKLOAD ESTIMATES

Mr. CARR. Please compare the President's budget and actual workload indicators for the offices of the secretary, general counsel, proceedings, hearings, public assistance, economics, tariffs, compliance and consumer assistance, and managing director for each of fiscal years 1991 and 1992 similar to the chart appearing on pages 221 through 230 in last year's hearing record.

[The information follows:]

WORKLOAD SUMMARY

OFFICE OF THE SECRETARY

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Cleared Decisions	720	388[1]	543	250[1]
Issued Decisions	66,900	79,930[2]	72,675	84,090[2]
Certifications	500	270[3]	450	410
Indexing Court Proceedings	15	7	6	26[4]
Insurance Filings	120,000	134,900	120,000	138,411
Maintenance of Docket Files	735,000	776,660[5]	695,000	885,000[5]
Applications and Fees	12,850	17,123[6]	13,865	17,140[6]
Register Pages	7,300	7,770	7,000	8,500
Printing	10,000,000	10,656,088	12,526,500	10,769,000
Mail	708,000	630,000	661,075	515,050
Library/Reference Services	4,000	8,100[7]	4,005	12,600[7]
Proceedings Processing and Assignment		646[8]	1,000	920
Interpretations				215[9]
Rail Workload				
Cleared Decisions	430	428	470	338[1]
Issued Decisions	1,400	1,830	1,321	2,200[2]
Certifications	250	175	255	180
Indexing Court Proceedings	145	109	110	22[4]
Maintenance of Docket Files	265,000	276,000	245,000	305,000[5]
Applications and Fees	350	310	310	230
Register Pages	300	431	300	300
Printing	4,000,000	4,215,000	4,002,000	4,003,000
Mail	230,000	200,100	225,100	180,000
Library/Reference Services	6,500	6,406	6,200	6,900
Proceedings Processing and Assignment		130[8]	338	600
Interpretations				19[9]
Fees Collected	$5,000,000	$5,707,792	$5,000,000	$5,397,041

OFFICE OF THE GENERAL COUNSEL

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Opinions				
Rulemakings	6	18[10]	7	26[11]
Rate Cases	21	68[12]	18	132[12]
Licensing Cases	40	36	15	43[13]
Finance Cases	5	10	6	6
Litigation				
Rulemakings	5	8	2	28[14]
Rate Cases	30	39	10	85[12]
Licensing Cases	47	29[15]	28	19[15]
Finance Cases	4	44[16]	3	29[16]
Legislative Assistance	17	8[17]		
Rail Workload				
Opinions				
Rulemakings	31	52[10]	37	42
Rate Cases	50	52	36	59[18]
Licensing Cases	2	1	0	3
Finance Cases	139	180[19]	151	135[20]
Litigation				
Rulemakings	27	22	14	11
Rate Cases	46	23	34	41
Licensing Cases	5	0	0	0
Finance Cases	140	222[21]	224	121[20]
Legislative Assistance	41	16[17]		
General Management and Administration Workload	42	63[22]	26	76[22]

OFFICE OF PROCEEDINGS

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Licensing				
Permanent Freight	12,800	12,920	12,000	13,012
Bus Entry	800	822	750	908[23]
Broker	3,000	3,365	3,400	3,209
Water Carrier Cases	6	16	10	9
Certificates of Registration	--	720[24]	600	518
Operating Rights Appeals	200	4,040[25]	3,000	1,802[26]
ETA/TA Appeals	2	2	2	0[27]
Complaints, Investigations and Petitions for Declaratory Orders	15	13	15	17
Rates				
Complaints, Investigations and Rate Related Exemptions	250	304[28]	150	401[29]
Intrastate Bus Rates and Exit	2	11	8	2
Rate Bureau Investigations	4	6	4	4
Finance				
Mergers and Acquisitions	240	211	175	245[30]
Transfers	700	722	700	647
Finance Temporary Authority	70	54	50	54
Pooling	2	2	4	0
Rulemakings	8	8	8	11
Rail Workload				
Rates				
Complaints/Declaratory Orders/Investigations	80	78	90	37[31]
Intrastate Cases/State Certifications	10	20	15	8
Minor Exemptions	5	1	5	2
Finance				
Abandonment Applications and Exemptions	530	329[32]	375	279[32]

OFFICE OF PROCEEDINGS (continued)

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Minor Mergers and Consolidations-Applications and Exemptions (including Intermodal	95	78[33]	90	69[33]
Certificates under 10901 (Construction, Acquisitions, and Operations)-Applications and Exemptions	50	106[34]	80	94[34]
Leases and Trackage Rights-Applications and Exemptions	60	66	90	64
Other	40	18[35]	35	11[35]
Antitrust Matters				
Rate Bureau Proceedings	1	0	0	0
Large Intramodal Merger and Consolidation Applications	30	0[36]	25	1[36]
Pooling, Interlocking Directorates, and Other	10	1[37]	5	1[37]
Rulemakings	30	34	50	34[38]

OFFICE OF HEARINGS

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Rate, Practitioner Disciplinary, Licensing, and Other Miscellaneous Cases	1	21[39]	12	25[39]
Rail and Other Non-Motor Rate Cases	20	25	32	12[40]
Rail Finance Cases	4	14[41]	20	21

OFFICE OF PUBLIC ASSISTANCE

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Assist Participants in Commission Proceedings	260	293	275	264
Counseling/Individual Public Assistance	11,000	19,389[42]	14,500	19,561[43]
Educational/Outreach Projects	14	13	9	12
State/Local Liaison Activities	1,500	951	900	20[44]
Rail Workload				
Assist Participants in Commission Proceedings	1,000	1,182	1,000	1,196
Counseling/Individual Public Assistance	3,000	3,631	3,000	2,554
Educational/Outreach Projects	10	7	9	7
State/Local Liaison Activities	3,000	3,615	3,000	34[44]

OFFICE OF ECONOMICS

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Case Cost Analyses	12	24	15	13
Case Financial Analyses	15	24	20	20
Analyses of Carriers' Financial Condition	18	22	18	18
Cost Projects and Studies	1	1	1	1
Economic Studies	2	3	2	3
Public Assistance	100	105	100	100
Accounting/Reporting Projects	0	2	3	6
Accounting/Reporting Interpretations	--	85[45]	--	107[45]
Transport Statistics and Other Reports	14	13	14	14
Rail Workload				
Case Cost Analyses	50	39	44	32
Case Environmental Analyses	310	292	360	317
Case Financial Analyses	45	40	50	47
Case Engineering Analyses	35	39	35	40
Analyses of Carriers' Financial Condition	30	27	25	11[46]
Cost Projects and Studies	20	22	22	24
Economic Studies	20	3[47]	3	3
Depreciation Analyses	30	27	28	30
Accounting/Reporting Projects	6	7	6	4
Accounting/Reporting Interpretations	120	107	105	94
Public Assistance	370	402	400	390
Transport Statistics and Other Reports	18	19	18	18
Audits	30	33	28	28

OFFICE OF TARIFFS

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Maintaining Tariffs and Related Documents	1,250,000	1,226,817	1,520,000	1,308,930[48]
Tariff Examination				15,000[49]
Tariff Liaison and Counseling	12,500	19,114	20,445	22,304
Interpretations	4,400	4,666	4,700	7,109[50]
Case Analysis Support	135	265[12]	175	197
Rate Regulation Matters	0	0	0	0
Special Permissions and Suspension Cases	115	348[51]	415	76[48]
Certifications	355	442	310	336
Rulemakings and Special Projects	63	69	45	87[52]
Rail Workload				
Maintaining Tariffs and Related Documents	65,000	100,571[53]	110,400	116,962
Tariff Examination				600[49]
Contract and Contract Summary Maintenance and Examination	70,000	77,450	73,000	77,081
Tariff Liaison and Counseling	1,500	1,187	1,525	1,399
Interpretations	1,000	715[54]	700	604
Case Analysis Support	70	86	125	68[54]
Rate Regulation Matters	390	689[55]	480	859[55]
Special Permissions and Suspension Cases	35	21	35	28
Certifications	5	5	0	1
Rulemakings and Special Projects	30	21	25	7[53]

OFFICE OF COMPLIANCE AND CONSUMER ASSISTANCE

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
Motor Workload				
Emergency and Temporary Authority Applications	7,250	9,000[56]	7,600	10,603[56]
Inquiries	127,650	174,400[57]	36,000	165,663[57]
Fitness Reviews	12,900	14,500	16,600	0[58]
Complaints	9,900	8,925	10,200	9,663
Insurance Assignments	18,600	17,500	18,000	12,465[59]
Compliance Surveys	495	520	515	525
Special Projects	26	40	38	66[60]
Rate Bureau Monitoring	52	60	48	39
Preliminary Investigations	1,120	1,110	1,100	1,271
Final Investigations	442	400	400	388
Litigation	1,700	1,995	1,800	2,115
Road Checks	400	410	400	0[61]
Interpretations	220	395	315	0[62]
Rulemakings/Proceedings	9	13	10	18
License Revocation Orders	40,000	43,000	36,900[63]	42,620
Rail Workload				
Inquiries	1,000	2,000	1,000	4,749[64]
Complaints	100	75	100	153
Compliance Surveys	15	15	15	18
Special Projects	4	4	4	10
Rate Bureau Monitoring	8	4	7	3
Preliminary Investigations	10	15	15	13
Final Investigations	8	9	7	10
Litigation	8	5	8	4
Interpretations	8	20	5	0[62]
Rulemakings/Proceedings	1	2	2	0
Fees Collected	$700,000	$751,140	$700,000	$902,339

OFFICE OF THE MANAGING DIRECTOR

	FISCAL YEAR 1991		FISCAL YEAR 1992	
	President's Budget	Actual	President's Budget	Actual
General Management and Administration Workload				
Privacy/FOIA Requests	225	221	225	239
Personnel Actions	2,240	1,358[65]	1,750	1,252[65]
Pay Items	29,000	28,399	27,600	32,712[66]
Vouchers/Invoices	5,400	5,432	5,400	8,896[67]
Accounting Entries	38,000	34,000	37,000	40,766[68]
Receipts Deposited	39,000	41,500	40,000	35,390
Contracts/Procurement Actions	3,400	4,722	4,500	5,156
Space and Building Services	3,200	3,106	3,200	2,977
ADP Systems Maintained	60	60	60	60
ADP Programs Maintained	5,500	5,500	5,500	5,500

1. This number was lower than expected because proceedings involving Ex Parte No. MC-177 (negotiated rates (undercharge) issues) were temporarily held in abeyance. Rail workload was lower due to more conferences and fewer notation votes.

2. Motor workload was higher because the number of safety fitness cases increased. Rail workload was higher because the number of decisions not going to the full Commission was substantial.

3. Decrease in FY 1991 due to an unexplained drop in interest by the public compared to that shown in FY 1990.

4. Indexing court proceedings depends on the number of cases that are appealed and is difficult to predict.

5. Motor workload was higher due to the increase in applications and fees and to the increase in decisions issued from the safety fitness cases. Rail workload was higher because the number of issued decisions was higher.

6. This number was higher because carriers were applying for multiple authorities (OP-1s), i.e., common carrier, contract, broker.

7. An unanticipated increase occurred in the number of inquiries related to undercharge issues and new OP-1 forms.

8. In FY 1991, this workload activity was established to measure the Legal Unit's workload.

9. In FY 1992, interpretations workload was reassigned from the Office of Compliance and Consumer Assistance.

10. Reflects increased rulemaking activity.

11. Increase attributed to Commission decisions in Ex Parte No. 208 and Ex Parte No. 100 (Sub-No. 7).

12. Reflects upsurge in undercharge rates cases.

13. Reflects a higher number of intra/interstate cases.

14. Increase attributed to three unanticipated Commission decisions - Ex Parte No. 208, Ex Parte No. 207, and Ex Parte No. 198.

15. Reflects diminished attempts by States to challenge the Commission's interstate motor transportation authority as it conflicts with intrastate authorities.

16. Reflects increased state challenges to Commission's authority to approve transfers in inter/intrastate authorities.

17. Reflects transfer of Legislative Counsel function to Office of Congressional and Legislative Affairs.

18. Reflects increase in non-coal rates issues.

19. Reflects handing of Springfield Terminal cases.

20. Decrease reflects continued uncertainty surrounding rail labor issues (i.e., post Carmen decisions).

21. Reflects increased rail labor opposition on labor and Springfield Terminal issues.

22. Reflects revised workload measurement techniques.

23. Increased due to initial regional bus entries due to Greyhound/Trailways merger.

24. Due to volume of activity and staff-time required, this activity was established as a separate workload item.

25. Increase reflects establishment of need for carriers to seek removal of 1-year terms from their authorities.

26. Reflects change in safety fitness policy (which eliminated the need for carriers to seek removal of 1-year terms from their authorities) and modified requirements pertaining to hazardous materials.

27. This workload activity was merged into the workload category of operating rights appeals.

28. Cases were held pending statutory relief or judicial review of precedent cases.

29. Lead cases needed to process the negotiated rates docket had not been finalized at this time and efforts at legislative relief had been unsuccessful.

30. Due to the economic downturn, more carriers sought consolidation to increase efficiency.

31. Increased price and service competition among carriers vying for business in a slow economy results in fewer complaints. In addition, the decrease reflects the shift in handling of procedural matters to the Office of the Secretary.

32. Reflects increase in short-line sales activity in lieu of abandonment.

33. Decrease reflects increased attractiveness of acquisition under Section 10901.

34. Reflects increase in construction filings and short-line activity.

35. Reflected downturn in Amtrak compensation activity, commodity class exemptions, and labor arbitration decisions.

36. Two large merger cases were anticipated; none occurred.

37. No major cases were filed; only 1 decision was issued.

38. Largely reflects bundling of certain rulemaking activities resulting in fewer but broader proposal and, to a lesser extent, reflects transfer of responsibility for related procedural orders to the Office of the Secretary.

39. Increase attributed to rise in undercharge cases and increased case assignments.

40. Reflects reduction in rail case assignments and revised handling procedures.

41. Reflects upsurge in shortline acquisition activity.

42. Revised OP-1 application form included OPA as the primary reference source for assistance resulting in an increase in workload.

43. Factors contributing to the increased workload included the negotiated rates issues and the continuing responses to technical public requests.

44. The recordkeeping methodology for this workload item has changed.

45. Workload was not included in the President's Budget because a drop had been seen in this area and few were expected--this activity is not labor intensive.

46. Actual is lower than estimated because staff was focused in area related to rulemakings.

47. After the merger of the Office of Transportation Analysis and the Bureau of Accounts, this category was redefined.

48. Higher estimates projected due to the expected Persian Gulf crisis' impact on fuel costs.

49. Tariff examination is being reported as a separate workload item this year due to Congressional concern over tariff-related issues.

50. The workload volume is at historically high levels due to PIE-related matters and other bankrupt carrier interpretations and tariff-filing provisions.

51. Increases are due to significant activity related to fuel surcharges to recover fuel cost increases resulting from the Persian Gulf crisis.

52. Increase in this workload item is due to increased Congressional and Commission concerns for the integrity of filed tariffs.

53. Expected transition of railroad conversion from tariff pricing to contract pricing did not occur.

54. Anticipated workload increases did not occur because of increased focus on motor carrier undercharge cases, exemption of certain rail commodities from tariff-filing requirements, and rail carriers reliance on contracts for pricing of transportation services.

55. Rate Regulation Matters workload is unpredictable and varies with economic activity at the time.

56. Number of applications varies with economic conditions.

57. Includes correspondence covering regulatory inquiries not previously reported.

58. This is not resource intensive and is no longer a reportable item.

59. The declining trend in Insurance Assignment workload reflects stabilization of the carrier insurance industry.

60. Workload is dependent on the requests from Congress and/or the public. If contentious issues arise during the year, the actual workload may vary considerably from the projection.

61. This workload was merged with other workload functions.

62. Beginning in FY 1992, this workload function was reassigned to the Office of the Secretary.

63. This activity was expected to be lower because insurance business capacity to insure policy holders was expected to stabilize the carriers' practice of policy-switching to lower premiums. This expectation did not materialize and actual workload resulted in the same level as FY 1991.

64. More inquiries concerning requirements of the ICA and related requirements of the Commission than projected.

65. Estimates were based on anticipated organizational restructuring efforts and associated recruitment efforts which did not materialize.

66. Increased pay-related data entry of changed employee benefit forms and large number of changes in financial institutions.

67. Vouchers/invoices includes Transit Benefit Program employee transactions and increased, labor-intensive invoice activity.

68. Accounting entries reflect moderate increased invoice and payment activity and entries associated with fee offsetting collection transactions.

SINGLE-STATE INSURANCE REGISTRATION

Mr. CARR. ISTEA requires the ICC to replace the current multi-State motor vehicle and operating authority registration system—the so-called "Bingo System"—with a single-State insurance registration system. New draft rules were recently announced by the ICC on this requirement.

Please summarize for the record the public comments you received on the proposed rulemaking.

[The information follows:]

Public comments on our proposed rules were required to be filed by February 24, 1993. The Commission is scheduled to vote on options for final rules at an open voting conference on April 27, 1993. In view of the status of this case, it would be inappropriate to discuss the nature of the comments. The Commission believes that a great deal was accomplished by first issuing an advance notice of proposed rulemaking and gathering public comments before proposing actual rules. The final rules will be issued by the statutory deadline of May 18, 1993.

USER FEE COLLECTIONS—FY 1992

Mr. CARR. The Fiscal Year 1992 budget included an offsetting appropriation of $5.5 million in filing and user fees.

How much was actually collected?

[The information follows:]

In FY 1992, $6,299,381 was collected by the Commission in various categories of user fees.

USER FEE COLLECTIONS—FY 1993

Mr. CARR. The Fiscal Year 1993 budget estimates $7.3 million in collections during Fiscal Year 1993.

How much has been collected to date and how much does that extrapolate into if the same rate were maintained for the balance of the Fiscal Year?

[The information follows:]

The Commission has collected $2,824,421 through the end of February 1993. This extrapolates to approximately $6,778,611 for the fiscal year.

USER FEE COLLECTIONS—FY 1994

Mr. CARR. Please provide for the record a breakdown of the estimated $7.3 million in fiscal year 1994 user fees by type of fee and by office.

[The information follows:]

It is estimated that the Office of the Secretary will collect approximately $3.6 million in motor carrier licensing applications, mergers and acquisitions of motor and rail carriers, declaratory orders, and railroad abandonments and constructions; $1.9 million in tariff filing receipts; and $617,000 in insurance fees; the Office of Compliance and Consumer Assistance will collect $1.1 million in emergency temporary authority and temporary authority applications; and various offices, including the Office of Economics, Systems Development, and the Secretary will collect approximately $66,000 in miscellaneous fees for administrative services.

DELINQUENT BILLINGS

Mr. CARR. What is your actual recoupment of delinquent billings for fiscal year 1992 and your estimated recoupment of delinquent billings for fiscal year 1993 and are those amounts included in your estimates of offsetting collections?

[The information follows:]

A special task force has collected as much of the delinquent accounts as possible and is writing off uncollectible accounts. Approximately $440,000 was identified as the amount of delinquent accounts to collect. By June 1992, we collected over $316,000 of this amount. In addition, we submitted batches of tariff accounts to the Budget and Fiscal Office for write-off.

By the end of the first quarter of FY 1993, only about $30,000 of all delinquent insurance accounts remained and only $2,400 remained that were one year old or less. All of the accounts were closed, except $2,100. As to tariff accounts, about $96,000 of delinquent tariff accounts remained. However, most of this amount was the delinquent accounts that would be written off as part of the uncollectible accounts that were the subject of the special task force. Indeed, only $6,400 accounted for delinquent accounts that were less than one year delinquent; and all the accounts were closed, except $7,400.

Recoupment of delinquent billings for FY 1994 should be minimal. Procedures have been in place over the past year which prevent the accumulation of delinquent accounts. If an account becomes sixty (60) days delinquent, the account is closed, thus not allowing any more charges to be accumulated until the account is paid in full. This applies to both tariff and insurance accounts.

The only projected future receipts are those from companies that are in bankruptcy prior to our closing their accounts. We expect these receipts to be minimal and they would be part of our estimates of offsetting collections.

USER FEE ITEMS

Mr. CARR. Please provide for the record a schedule showing the current fees assessed the public for the approximately 100 fee items and proposed fees for 1993?

[The information follows:]

The Commission is required by the regulations in 49 CFR 1002.3 to update user fees annually. Fees are updated based on the cost study formula set forth in 49 CFR 1002.3(d). The *1992 Update,* which the Commission served on November 6, 1992, is attached.

The Commission is currently reviewing the cost and work processes pertaining to some of the fee items and recosting the fee items for inflationary changes and will include those revisions in the *1993 Update,* which will be served at the beginning of FY 1994.

SERVICE DATE
NOV 6 1992

The attached decision is subject to a formal correction before publication in the ICC 2d Series of Printed Reports. Please notify the Office of the Secretary, Commission Service Section, Room 2203, Washington, D.C. 20423, (202) 927-5480 of any formal errors in order that corrections may be made.

ICC 442

INTERSTATE COMMERCE COMMISSION

EX PARTE NO. 246 (SUB-NO. 10)

REGULATIONS GOVERNING FEES FOR SERVICES PERFORMED IN CONNECTION WITH LICENSING AND RELATED SERVICES--1992 UPDATE

EX PARTE NO. 246 (SUB-NO. 10)

REGULATIONS GOVERNING FEES FOR SERVICES PERFORMED IN CONNECTION WITH LICENSING AND RELATED SERVICES – 1992 UPDATE

Decided October 28, 1992

The Commission adopts the 1992 user fee schedule increases which are based on the cost update formula set forth in 49 C.F.R. § 1002.3(d). The Commission adopts the deferred filing fee increases for various motor carrier fees, and increases the fee for various capped rail finance, abandonment, and exemption proceedings by 25%. The Commission adopts a modified fee increase to $1,000 for complaint and complaint-type declaratory order proceedings.

BY THE COMMISSION:

BACKGROUND

The Commission is required by the regulations in 49 C.F.R. § 1002.3 to update user fees annually. In a notice of proposed rulemaking (NPR) published in this proceeding at 57 Fed. Reg. 35,557 (1992), the Commission proposed the 1992 update which was based on the update formula. The Commission also proposed to implement filing fee increases for permanent and emergency temporary motor carrier operating authority applications and motor carrier finance proceedings, which were deferred in *Regulations Governing Fees For Services - 1990 Update*, 7 I.C.C.2d 3 (1990), and *Regulations Governing Fees for Services - 1991 Update*, 8 I.C.C.2d 13 (1991). The Commission also proposed to eliminate the caps on the fees for rail finance and abandonment proceedings, which were adopted in *Regulations Governing Fees for Services - 1989 Update*, 5 I.C.C.2d 817 (1989)(*1989 Fee Update*).

Comments in this proceeding were filed by 31 groups or individuals. A complete listing of the commentors is set forth in Appendix A. The commentors primarily are railroads or railroad groups who are opposed to the elimination of the caps on the fees for rail finance and abandonment proceedings and shipper groups and state entities, such as the Kansas Corporation Commission and South Dakota State Cement Plant Commission, who are opposed to the elimination of the fee caps for complaints or complaint-type declaratory order proceedings. The other commentors are a labor representative, a transportation consultant, two practitioners, and the Transportation Lawyers Association who are opposed to the increase in complaint fee and various other specific fees. The issues raised by these commentors as they relate to specific fees or groups of fees will be discussed below.

DISCUSSION AND CONCLUSION

Rail Finance, Abandonment, Exemption Fee Increases

The railroad groups object to the proposed elimination of the fee caps for: Fee Item (38), Rail Abandonment Proceedings, Fee Item (38), Exempt Abandonment, Fee Items 55(i-iv), Petitions for Exemption. These commentors generally contend that the proposed increases are so significant that rail carriers will be precluded from filing such proceedings at the Commission. The Association of American Railroads contends that railroads will be forced to look closely at the cost of filing proceedings before the Commission and that some railroads may be forced to file for larger abandonments because they will not be able to afford the cost of segmented filings. None of the rail commentors believe that the Commission's waiver procedure will provide relief for railroads because they believe that the Commission will not readily grant fee waivers.

One rail commentor, the Interested Shortline Railroads (Shortline), questions the reasonableness of that portion of the Commission's costs related to operations overhead and general and administrative overheads and urges the Commission to seek public comment on these cost factors. Shortline fails to recognize that these cost factors already have been subject to notice and comment procedures through the rulemaking process. The original cost factors were proposed in Ex Parte No. 246 (Sub-No. 2), *Regulations Goveming Fees for Services*, 49 Fed. Reg. 6118 (1992). Those cost factors were adopted in *Regulations Goveming Fees For Services*, 1 I.C.C.2d 60 (1984). In *Cent. & Southern Motor Freight Tariff Ass'n* v. *United States*, 777 F.2d 722 (D.C. Cir. 1985), (*Cent. & Southern*), those cost factors, except for the calculation of the operations overhead factor, were affirmed. As the court directed, the Commission reviewed its calculation of the operation overhead factor, and a revised operations overhead factor was adopted in *Regulations Governing Fees for Service,* 3 I.C.C.2d 695 (1987). The only other modification of the Commission's costing formula was adopted through notice and comment procedures in *Regulations Governing Fees for Services Performed – 1987 Update*, 4 I.C.C.2d 137 (1987)(*1987 Fee Update*). Because the public had the opportunity to comment on Commission costing factors when those factors were initially developed or subsequently modified, we do not believe that it is necessary to institute a review of those factors. However, if the need arises to revise the calculation of any cost factor, such a change will be made through the rulemaking process, and the public will again be afforded the opportunity to comment on such a proposal.

Shortline also asks the Commission to reconsider the policy of assigning to the filer all the costs of a filing including the cost of environmental analysis and other considerations which do not directly benefit the filer but do benefit the public. The Commission considered this issue in *1989 Fee Update*, supra. In that proceeding the Commission concluded that "It is well settled that the cost of environmental analysis like any other kind of analysis, properly may be assessed against the party seeking governmental authorization. *See*, *Mississippi Power & Light* v. *Nuclear Regulatory Com'n*, 601 F.2d 223, 231 (5th Cir. 1979)...." Id. at 818-19. As the United States Court of Appeals for the D.C. Circuit stated in *Cent. & Southern*, 777 F.2d at 732, "If the asserted public benefits are the necessary consequence of agency's provision of the relevant private benefits, then the public benefits are not independent, and the agency would therefore not need to allocate any costs to the public." We believe that the Commission has examined thoroughly the issue of the allocation of costs between the filers and the public in previous user fee proceedings and that there is no need to reexamine that issue here.

All other commentors who expressed concern about the proposed increases in filing fees for these rail finance, abandonment, and exemption proceedings argue that the proposed fees are so high that some rail carriers may not be able to afford to file proceedings before the Commission. They assert that even large carriers may find the fee costs prohibitive for these proceedings and that some carriers may be forced to structure transactions to avoid multiple filing fees which may cause marginal line segments to be abandoned more quickly.

The Independent Offices Appropriations Act of 1953, 31 U.S.C. § 9701 (1982) (IOAA), directs independent regulatory agencies to adopt fees for services and benefits that users receive from the agency. That statute requires that such services should be self-sustaining to the fullest extent possible. 31 U.S.C. § 9701(a). The Commission always has been faced with the dilemma of balancing the IOAA's statutory requirement of full-cost recovery for services provided by the Commission against the concerns that high fees would inhibit parties' ability to file proceedings before the Commission. We have acknowledged this dilemma in prior user fee update proceedings and have, where possible, attempted to ameliorate this conflict. *See, e.g.*, *1989 Fee Update*, *supra*. We will continue to consider ways to recover our costs while not jeopardizing parties' access to the Commission.

In this proceeding several commentors propose that the Commission establish lower fees for small carriers. However, it is not permissible to base fees on classifications, such as the size of the carriers under the IOAA because such measures have no apparent relationship to the cost of services rendered. *See*, *Electronic Industries Ass'n Etc. v. F.C.C.*, 554 F.2d 1109, 1114-1115 (1976) citing *National Cable Television Ass'n v. F.C.C.*, 554 F.2d 1094, 1107-08 (D.C.Cir. 1976).

After our review of the comments that we have received from rail carriers, we conclude that our proposed increase of the fees for rail finance, abandonment, and exemption proceedings to the fully allocated cost levels should not be adopted. However, we believe that in order to comply with our statutory duty under the IOAA to insure that services which we provide to identifiable beneficiaries are self-supporting, we must increase the fees for these rail finance, abandonment, and exemption proceedings by 25%. Accordingly, the 1992 increases for the involved fees are as follows:

Fee Item 33(ii) Exempt transaction under 49 C.F.R.§1150.31	$1,500
Fee Item (38) Abandonment applications	4,500
Fee Item (41) Exempt abandonments	2,125
Fee Item (55)(i) Financial exemption petitions	3,625
Fee Item (55)(ii) Abandonment exemption petitions	3,000
Fee Item (55)(iii) Construction, extension, acquisition, or operation of a rail line petition	3,000
Fee Item 55 (iv) Other exemption petitions	1,625

Our fee waiver procedures in 49 C.F.R. § 1002.2(e) will provide a mechanism by which entities unable to pay these increased filing fees may file proceedings before the Commission. A entity may also obtain a fee waiver if it can demonstrate that public interest considerations warrant waiver of the fee.

Complaint and Complaint-Type Declaratory Order Proceedings

The shipper groups who filed comments in this proceeding oppose the proposed increases for complaint and complaint-type declaratory order proceedings (Fee Items 60, 61 and 62). The commentors contend that our proposal amounts to administrative deregulation because the proposed fees will prohibit shippers from filing complaints before the agency. Some of the commentors also question our costs for such proceedings.

The costs for these two fee items were developed through cost studies in 1989 which were adopted in *1989 Fee Update, supra.* The direct labor cost for Fee Item (60), formal complaints, at 1992 wage levels as set forth in the NPR is $2,598. That represents an expenditure of an average of 86 hours at a GS-14 wage rate. Also as set forth in the NPR, the direct labor cost at 1992 wage levels for processing complaint-type declaratory order proceedings is $3,084 which represents 103 staff hours at a GS-14 level. We believe these cost data represent a reasonable time period for reviewing the technical pleadings that are submitted in either of these types of proceedings and for the drafting of a legal decision for such cases. Therefore, we affirm our costing for these types of proceedings.

However, in view of the public concern about increasing these fees to the fully allocated cost level, we will limit our increases in these fee items to $1,000. These compromise fees will allow us to recover some of our costs and to monitor the effect that these fee increases will have on the number of complaints and complaint-type declaratory orders filed and fee waivers requested for such proceedings. We also will conduct new fee studies of complaints and complaint-type declaratory order proceedings to determine whether these fee items should be divided into different categories based on the subject matter of the proceeding or some other characteristics of the proceeding.

We emphasize that our fee waiver procedures are available to those who seek to file complaints or complaint-type declaratory orders. Fees may be waived if the applicant can show that payment of the fee would impose an undue hardship on the filer or that a fee waiver would prove to be in the best interest of the public.

We note that our decision here does not preclude the setting of fees for fee Items (60 and 62) at the fully allocated cost level at a future date or the adoption of a plan to phase in fee increases for these fee items in a subsequent fee update proceeding.

We believe that there are public policy considerations which allow us to limit the filing fee for complaints and complaint-type declaratory orders to $1,000 and still increase the rail finance, abandonment, and exemption fees by 25%. Complaints are mechanisms that shippers or other entities must use to bring claims of illegal or unreasonable rates or practices to the Commission's attention. The filing of a complaint with the Commission is often the only means to alert the Commission to practices whose elimination would benefit the public. The rail proceedings involved here are filings made by rail carriers that seek approval of business transactions. The approval of these transactions will redound to the benefit of the rail carrier itself. Accordingly, we find that it is appropriate to adopt different fee levels for complaints and complaint-type declaratory order proceedings and the rail proceedings in order to ensure a viable mechanism for shippers and other entities to advise the Commission of actions which potentially violate the Interstate Commerce Act. *See*, *Cent.& Southern*, *supra*, 777 F.2d 729-730.

We also conclude that the $1,000 fee for Items (60) and (62) is reasonable. First, it strikes a balance between the duty of the Commission to recover its costs and its obligation to provide parties with access to its processes. Second, raising the fees for these Items brings them into line with other complaint-type fee Items. In the *Ex Parte No. 246 (Sub No. 2) Regulations Governing Fees For Services Performed In Connection With Licensing And Related Services*, (not printed) served October 5, 1984, at 3, we capped the fees on complaint-type Items at $500 so as not to "chill" the use of our processes by the public. In the *Ex Parte No. 246 (Sub No. 6) Regulations Governing Fees For Services Performed In Connection With Licensing And Related Services -- 1988 Update*, (not printed) served June 1, 1988, at 3, we raised the fee on some of Items (*e.g.* Items 18, 66, and 67) to $1,000. By raising the fee on the remaining complaint-type Items to $1,000 we equalize the fees for such complaint-type items.

Policy for Automatic Fee Waiver
Motor Carrier Undercharge Cases

The Transportation Lawyers Association has asked the Commission to clarify whether the Commission policy of automatic waiver of filing fees for motor carrier undercharge proceedings will continue. The Rubber Manufacturers Association (RMA) and the National Industrial Traffic League urge the Commission to continue the policy of exempting motor carrier undercharge proceedings from filing fee requirements. The RMA also asks the Commission to extend the automatic fee waiver to proceedings filed under the provisions of *Nonoperating Motor Carriers -- Collection of Undercharges*, 8 I.C.C.2d 742 (1992) (*Ex Parte No. MC-208*). We note that we do not at this time contemplate charging any fee for filings made pursuant to *Ex Parte No MC-208* procedures.

In addition because of the continuing crisis in the motor carrier industry with respect to undercharge cases, we will continue our policy of automatically waiving the filing fees for complaints or declaratory order proceedings that involve motor carrier undercharge issues.

Motor Carrier Application Fees

Only two commentors addressed our proposed fee increases for motor carrier application proceedings. Interstate Trucking Services (Interstate) objects to our proposed increase for motor carrier permanent operating authority applications, and motor carrier emergency temporary authority applications, Fee Item (9). Interstate believes that increases are not warranted because (1) the Commission has streamlined the application process which should have reduced the Commission's workload and (2) the proposed fee increases represent unreasonable (25% and 14.3%, respectively) increases. Crosby Associates believes that the increase for these two fees items appears reasonable and warranted. Fee Items (1) and (9) have not been increased since 1984. We believe that these proposed increases are appropriate because they reflect the cumulative effect of the government-wide pay raises occurring since 1984. Accordingly, those increases will be adopted.

Regulatory Flexibility Analysis

The Commission concludes that these fee increases will not have a significant economic impact on a substantial number of small entities because the Commission's regulations provide the waiver of filing fees when the required showing of financial hardship or public interest criteria is established.

Energy and Environmental Findings

This decision will not have a significant impact upon the quality of the human environment or the conservation of energy resources.

List of subjects:

49 C.F.R. Part 1002
Administrative Practice and Procedure, Common Carriers, Freedom of Information, and User Fees.

Authority: 5 U.S.C. § 553, 31 U.S.C. § 9701, and 49 U.S.C. § 10321.

It is ordered:

(1) Title 49 of the *Code of Federal Regulations* is amended as set forth in Appendix B.

(2) These rules are effective December 9, 1992.

By the Commission, Chairman Philbin, Vice Chairman McDonald, Commissioners Simmons, Phillips, and Emmett. Commissioner Emmett did not participate in the disposition of this proceeding.

Sidney L. Strickland, Jr.
Secretary

(SEAL)

APPENDIX A

Responses to Notice of Proposed Rulemaking

Shipper Groups

Ag. Pro. Co-op
Bartlett and Company
Florida Phosphate Council, Inc.
IMC Fertilizer Group, Inc.
Kansas Grain and Feed Association
Magowan Grain Company
North Dakota Grain Dealers Association
Society of the Plastics Industry, Inc.
The Board of Trade of the City of Chicago
The National Council of Farmer Cooperatives
The National Grain and Feed Association
The National Industrial Transportation League
The Rubber Manufactures Association
U.S. Clay Producers Traffic Association, Inc.
Wisconsin Association of Manufactures & Commerce Inc.
Wisconsin Paper & Pulp Manufactures' Transportation Association, Inc.
Women Involved in Farm Economics in Montana
National Chairman, Women Involved in Farm Economics

Railroads

Association of American Railroads
Interested Shortline Railroads[1]
Rail-Tex Service Company, Inc.
The American Short Line Railroad Association
Transtar, Inc.[2]

Others

Crosby Associates
Interstate Trucking Service
Kansas Corporation Commission
Patrick Simmons
Transportation Lawyers Association
Radermacher, Whiteside & Associates
South Dakota State Cement Plant Commission
Skill Transportation Consulting, Inc.

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1. This group includes Alabama Railroad Co., Arizona Central Railroad, Inc., Buffalo & Pittsburgh Railroad, Inc., City of Mineral Wells, CSF Acquisition Co., Delta Southern Railroad Co., Depew, Lancaster & Western Railroad Co. Inc., Florida West Coast Railroad Co., Fort Smith Railroad, Genesee & Wyoming Railroad Co., Huron & Eastern Railway, Keokuk Junction Railway, Lamoille Valley Railroad Co., Lowville & Beaver River Railroad Co., Louisville & Delta Railroad, Inc., MNVA Railroad, Inc., Mohawk, Adirondack & Northern Railroad, Natchez Trace Railroad, New Hampshire & Vermont Railroad Co., Octoraro Railway, Inc., Oregon Eastern Railroad Co., Rochester & Southern Railroad, Inc., Southwestern Railroad Co., T & P Railway, Inc., Wabash & Grande River Railway Co., Washington County Railway Co., Western Jersey Railroad Co., Wichita, Tillman & Jackson Railway Co., and Wyoming and Colorado Railroad, Inc.

2. This group includes Bessemer and Lake Erie Railroad Company, Birmingham Southern Railroad Company, Duluth, Missabe and Iron Range Railway Company, Elgin, Joliet, and Eastern Railway Company, Lake Terminal Railway Company, McKeesport Connecting Railroad Company, and Union Railroad Company.

APPENDIX B

Title 49, Chapter X, Part 1002, of the Code of Federal Regulations is proposed to be amended as follows:

PART 1002 - FEES

1. The authority citation for Part 1002 continues to read as follows:

AUTHORITY: 5 U.S.C. § 552(a)(4)(A), 5 U.S.C. § 553, 31 U.S.C. § 9701, and 49 U.S.C. § 10321.

2. Section 1002.1 is amended by revising paragraph (a) and the chart in paragraph (f)(6) to read as follows:

§ 1002.1 *Fees for records search, review, copying, certification, and related services.*

* * * * *

(b) Service involved in examination of tariffs or schedules for preparation of certified copies of tariffs or schedules or extracts therefrom at the rate of $20.00 per hour.

* * * * *

(f) * * *
(6) * * *

Grade	*Rate*	*Grade*	*Rate*
GS- 1	$ 6.23	GS- 9	$14.55
2	6.78	10	16.03
3	7.65	11	17.61
4	8.58	12	21.10
5	9.61	13	25.09
6	10.70	14	29.65
7	11.90	15 and Over	34.88
8	13.18		

* * * * *

3. Section 1002.2 is amended by revising paragraph (f) to read as follows:

§ 1002.2 *Filing fees.*

* * * * *

(f) *Schedule of filing fees.*

TYPE OF PROCEEDING

PART I: NON-RAIL APPLICATIONS FOR OPERATING AUTHORITY OR EXEMPTIONS

(1)	An application for motor carrier operating authority; a certificate of registration including a certificate of registration for certain foreign carriers; broker authority; water carrier operating or exemption authority; or household goods freight forwarder authority	$250
(2)	A fitness only application for motor common carrier authority under 49 U.S.C. § 10922(b)(4)(E) or motor contract authority under 49 U.S.C. § 10922(b)(5)(A) to transport food and related products	100
(3)	A petition to interpret or clarify an operating authority under 49 C.F.R. § 1160.64	2,400
(4)	A request seeking the modification of operating authority only to the extent of making a ministerial correction, when the original error was caused by applicant, a change in the name of the shipper or owner of a plant site, or the change of a highway name or number	40
(5)	A petition to renew authority to transport explosives under 49 U.S.C. §§ 10922 or 10923	200
(6)	An application to remove restriction or broaden unduly narrow authority	250
(7)	An application for authority to deviate from authorized regular-route authority under 49 U.S.C. § 10923(a).	100

(8)	An application for motor carrier or water carrier temporary authority under 49 U.S.C. § 10928(b)	100
(9)	An application for motor carrier emergency temporary authority under 49 U.S.C. § 10928(c)(1)	80
(10)	An extension of the time period during which an outstanding application for emergency temporary authority as defined in 49 U.S.C. § 10928(c)(1) may continue	20
(11)	Request for name change of carrier, broker, or household goods freight forwarder	9
(12)	A notice required by 49 U.S.C. § 10524(b) to engage in compensated intercorporate hauling including an updated notice required by 49 C.F.R. § 1167.4..	60
(13)	A notice of intent to operate under the agricultural co-operative exemption in 49 U.S.C. § 10526(a)(5)	60
(14)	[Reserved].	
(15)	A joint petition to substitute applicant in a pending operating rights proceeding	25
(16)	[Reserved].	

PART II: NON-RAIL APPLICATIONS TO DISCONTINUE TRANSPORTATION

(17)	A notice or petition to discontinue ferry service under 49 U.S.C. § 10908	10,000
(18)	A petition to discontinue motor carrier of passenger transportation in one state	1,000
(19)	[Reserved].	

PART III: NON-RAIL APPLICATIONS TO ENTER UPON A PARTICULAR FINANCIAL TRANSACTION OR JOINT ARRANGEMENT

(20)	An application for the pooling or division of traffic	1,900
(21)	An application involving the purchase, lease, consolidation, merger, or acquisition of control of a motor or water carrier or carriers under 49 U.S.C. § 11343	900

(22)	An application for approval of a non-rail rate association agreement, 49 U.S.C. § 10706	12,200
(23)	An application for approval of an amendment to a non-rail rate association agreement.	
(i)	Significant amendment	2,000
(ii)	Minor amendment	40
(24)	An application for temporary authority to operate a motor or water carrier. 49 U.S.C. 11349	200
(25)	An application to transfer or lease a certificate or permit, including a certificate of registration, and a broker's license under 49 U.S.C. 10926, or a transfer of a water carrier exemption authorized under 49 U.S.C. §§ 10542 and 10544.	250
(26)	[Reserved].	
(27)	A petition for exemption under 49 U.S.C. § 11343(e)	250
(28) - (32)	[Reserved].	

PART IV: RAIL APPLICATION FOR OPERATING AUTHORITY

(33)	(i)	An application for a certificate authorizing the construction, extension, acquisition, or operation of lines of railroad. 49 U.S.C. § 10901	3,200
	(ii)	Exempt transaction under 49 C.F.R. § 1150.31	1,500
(34)		A Feeder Line Development Program application filed under 49 U.S.C. § 10910(b)(1)(A)(i)	3,900
(35)		A Feeder Line Development Program application filed under 49 U.S.C. § 10910(b)(1)(A)(ii)	2,200
(36) - (37)		[Reserved].	

PART V: RAIL APPLICATIONS TO DISCONTINUE TRANSPORTATION SERVICES

(38)	An application for authority to abandon all or a portion of a line of railroad or operation thereof filed by a railroad (except applications filed by Consolidated Rail Corporation pursuant to the North East Rail Service Act [Subtitle E of Title XI of Pub. Law 97-35], bankrupt railroads, or exempt abandonments under 49 C.F.R. § 1152.50)	4,500
(39)	An application for authority to abandon all or a portion of a line of railroad or operation thereof filed by Consolidated Rail Corporation pursuant to North East Rail Service Act.	200
(40)	Abandonments filed by bankrupt railroads. 49 C.F.R. § 1152.40	800
(41)	Exempt abandonments. 49 C.F.R. § 1152.50	2,125
(42)	A notice or petition to discontinue passenger train service . .	10,000
(43)	[Reserved].	

PART VI: RAIL APPLICATIONS TO ENTER UPON A PARTICULAR FINANCIAL TRANSACTION OR JOINT ARRANGEMENT

(44)	An application for use of terminal facilities or other applications under 49 U.S.C. § 11103	8,400
(45)	An application for the pooling or division of traffic. 49 U.S.C. § 11342..	4,500
(46)	An application for two or more carriers to consolidate or merge their properties or franchises (or a part thereof) into one corporation for ownership, management, and operation of the properties previously in separate ownership. 49 U.S.C. § 11343.	

(i) Major transaction	164,700
(ii) Significant transaction	32,900
(iii) Minor transaction	2,700
(iv) Exempt transaction [49 C.F.R. § 1180.2(d)].	650
(v) Responsive application	2,700

(47) An application of a non-carrier to acquire control of two or more carriers through ownership of stock or otherwise. 49 U.S.C. § 11343

(i) Major transaction	164,700
(ii) Significant transaction	32,900
(iii) Minor transaction	2,700
(iv) Exempt transaction [49 C.F.R. § 1180.2(d)]	650
(v) Responsive application	2,700

(48) An application to acquire trackage rights over, joint ownership in, or joint use of, any railroad lines owned and operated by any other carrier and terminals incidental thereto. 49 U.S.C. § 11343.

(i) Major transaction	164,700
(ii) Significant transaction	32,900
(iii) Minor transaction	2,700
(iv) Exempt transaction [49 C.F.R. § 1180.2(d)]	650
(v) Responsive application	2,700

(49) An application of a carrier or carriers to purchase, lease or contract to operate the properties of another, or to acquire control of another by purchase of stock or otherwise. 49 U.S.C. 11343.

(i) Major transaction	164,700
(ii) Significant transaction	32,900
(iii) Minor transaction	2,700
(iv) Exempt transaction [49 C.F.R. § 1180.2(d)]	650
(v) Responsive application	2,700

(50) An application for a determination of fact of competition. 49 U.S.C. § 11321(a)(2) or (b)	32,900
(51) An application for approval of a rail rate association agreement. 49 U.S.C. § 10706	31,000

(52) An application for approval of an amendment to a rail rate association agreement. 49 U.S.C. § 10706.

(i) Significant amendment	5,700
(ii) Minor amendment	40

(53) An application for authority to hold a position as officer or director. 49 U.S.C. § 11322	300

(54)	(i)	An application to issue securities; an application to assume obligation or liability in respect to securities of another; an application or petition for modification of an outstanding authorization; or an application for competitive bidding requirements of Ex Parte No. 158, 49 C.F.R. Part 1175. 49 U.S.C. 11301	1,400
	(ii)	An exempt transaction under 49 C.F.R. Part 1175.	650
(55)		A petition for exemption (other than a rulemaking) filed by rail carriers. 49 U.S.C. 10505.	
	(i)	Financial exemption petitions	3,625
	(ii)	Abandonment exemption petitions	3,000
	(iii)	Construction, extension, acquisition, or operation of a rail line petitions	3,000
	(iv)	Other exemption petitions	1,625

(56) - (59) [Reserved].

PART VII: FORMAL PROCEEDINGS

(60)		A complaint alleging unlawful rates or practices of carriers, property brokers, or freight forwarders of household goods	1,000
(61)		A complaint seeking or a petition requesting institution of an investigation seeking the prescription or division of joint rates, fares, or charges. 49 U.S.C. § 10705(f)(1)(A)	3,900
(62)		A petition for declaratory order:	
	(i)	A petition for declaratory order involving dispute over an existing rate or practice which is comparable to a complaint proceeding	1,000
	(ii)	All other petitions for declaratory order	1,200
(63)		Requests for nationwide and regional collectively filed general rate increases and major rate restructures accompanied by supporting cost and financial information justifying the increases	6,800
(64)		A petition for exemption from filing tariffs by bus carriers	250
(65)		An application for shipper antitrust immunity. 49 U.S.C. § 10706(a)(5)(A).	3,100

(66)	Petition for review of state regulation of intrastate rates, rules, or practices filed by interstate rail carriers. 49 U.S.C. 11501.	1,800
(67)	Petition for review of state regulation of intrastate rates, rules, or practices filed by interstate bus carriers. 49 U.S.C. 11501.	1,900

(68) - (71) [Reserved].

PART VIII: INFORMAL PROCEEDINGS

(72)	An application for authority to establish released value rates or ratings under 49 U.S.C. § 10730 (Except that no fee will be assessed for applications seeking such authority in connection with reduced rates established to relieve distress caused by drought or other natural disaster)	550
(73)	An application for special permission for short notice or the waiver of other tariff publishing requirements	50
(74)	The filing of tariffs, rate schedules, contracts and/or contract summaries, including supplements	9 per series transmitted.
(75)	Special docket applications from rail and water carriers. (There is no fee for requests involving sums of $25,000 or less)	60
(76)	Informal complaint about rail rate application	250
(77)	(i) An application for original qualification as self-insurer for bodily injury and property damage insurance (BI&PD)	3,300
	(ii) An application for original qualification as self-insurer for cargo insurance	300
(78)	A service fee for insurer, surety or self insurer accepted certificate of insurance, surety bond, or other instrument submitted in lieu of a broker surety bond. The fee is based on a formula of $10 per accepted certificate of insurance or surety bond as indication of ICC insurance activity.	10 per accepted certificate or other instrument submitted in lieu of a broker surety bond.

(79)	A petition for waiver of any provision of the lease and interchange regulations. 49 C.F.R. Part 1057	350
(80)	A petition for reinstatement of revoked operating authority	60
(81) - (82)	[Reserved].	
(83)	Petition for reinstatement of a dismissed operating rights application	350
(84)	Filing of documents for recordation. 49 U.S.C. § 11303 and 49 C.F.R. § 1177.3(c).	16 per document.
(85)	Valuations of railroad lines in conjunction with purchase offers in abandonment proceeding	1,200
(86)	Informal opinions about rate applications (all modes).	40
(87) - (95)	[Reserved].	

PART IX: SERVICES

(96)	Messenger delivery of decision to a railroad carrier's Washington, DC, agent	12 per delivery.
(97)	Request for service list for proceedings	9 per list.
(98)	Requests for copies of the 1% carload waybill sample	100
(99)	Verification of surcharge level pursuant to Ex Parte No. 389, Procedures for Requesting Rail Variable Cost & Revenue Determination for Joint Rates Subject to Surcharge or Cancellation	17 per movement verified.
(100)	Application fee for Interstate Commerce Commission Practitioners' Exam	80

IMPACT OF DEREGULATION ON MOTOR CARRIER SAFETY

Mr. Carr. Since the advent of deregulation in the motor carrier industry, there has been considerable debate about the impact of deregulation on motor carrier safety. Some observers have found that deregulation has produced aging equipment, deferred maintenance, and an increasing accident rate. Others say that a firm link between economic regulation and safety has not been established.

Which of these views do you share and why?

[The information follows:]

The Commission has no independent information concerning the condition of equipment and overall accident rates. Such information is gathered by FHWA and NTSB through individual carrier audits and studies, and these agencies are in a better position to formulate an opinion regarding the present safety condition of the motor carrier industry. A 1990 Commission staff report evaluating fatal accident rate data compiled by FHWA concluded that no firm link between economic regulation and safety has been established (see Staff Report No. 12, *Highlights of Activity in the Property Motor Carrier Industry,* January 1990).[1] We work closely with FHWA to ensure that appropriate action is taken against ICC-licensed carriers that fail to comply with the Safety Fitness Standards established by the FHWA.

SAFETY FITNESS RESPONSIBILITIES

Mr. Carr. A January 1990 ICC staff report entitled "Highlights of Activity in the Property Motor Carrier Industry" suggested that "safety may be the foremost issue affecting the industry today."

What are the ICC's statutory responsibilities in ensuring the safety fitness of ICC-regulated carriers?

[The information follows:]

The Commission has the statutory responsibility to evaluate a carrier's safety fitness before and after the application process. While the Commission relies upon the safety expertise of FHWA, as well as the accuracy of its audit reports, the Commission makes its own determination that a carrier is fit to hold a grant of operating authority. Recognizing that FHWA cannot audit every carrier in advance of the application process, the Commission has imposed a safety fitness condition on each grant of new authority. Violation of that condition could result in the suspension or revocation of the operating authority. The Commission also recognizes that carriers which are conducting regulated motor carrier operations have a continuous safety fitness requirement. Pursuant to a memorandum of understanding and an interagency protocol with FHWA, the Commission is calling into question the safety fitness of carriers with poor safety compliance records through the institution of show-cause proceedings. The carriers' safety ratings are brought to the Commission's attention by FHWA.

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[1] Some of the non-ICC studies and testimony that have been provided since FY 1980 support the view that there is no link between economic regulation and the safety performance of carriers.

In testimony prepared in 1990 for the Subcommittee on Commerce, Consumer and Monetary Affairs of the House Committee on Government Operations, DOT reported that the fatal accident rate per million miles driven by large combination trucks had fallen by one-third since the 1978–79 period. (U.S. House of Representatives, Committee on Government Operations, "Consumer Cost of Continued State Motor Carrier Regulation Testimony," 101st Cong. 2d. Sess. 33 (1990)).

In particular, the testimony recently provided by the American Trucking Associations before the Senate Committee on Commerce, Science, and Transportation paints a rather encouraging view. It notes: "One of the major concerns with deregulation was whether it would adversely impact safety. Fortunately, that concern was groundless, primarily because of the sweeping safety legislation proposed and passed by this Subcommittee in 1984, 1986, 1988, and 1990. We fully supported these laws * * * (Lana R. Batts, "On Economic Regulation of the Motor Carrier Industry," ATA, September 19, 1991, pp. 9–10).

Safety data released by the Department of Transportation's National Highway Safety Administration (NHTSA) in May 1990 noted that ". . . heavy truck safety has improved dramatically over the past decade. The fatal crash involvement rate for medium/heavy trucks was 3.7 per 100 million vehicle miles of travel in 1988, an all-time low. Between 1977 and 1988, the fatal crash involvement rate for combination-unit trucks decreased 40 percent, while the rate for passenger vehicles (cars/light trucks and vans) decreased by only 25 percent. The efforts of the motor carriers and their drivers, coupled with expanded State-Federal programs to license commercial drivers and inspect vehicles at roadside, all seem to be having a positive effect."

BUS INDUSTRY STATUTORY RESPONSIBILITIES

Mr. CARR. What are the ICC's current statutory responsibilities regarding intercity bus transportation?

[The information follows:]

The Commission has general jurisdiction over the interstate transportation of passengers by motor carriers. 49 U.S.C. 10521. This includes the authority to issue licenses to operate. 49 U.S.C. 10922. Since passage of the Bus Regulatory Reform Act of 1982 (Public Law 97-261), applicants have not been required to submit evidence of public need for their proposed services, although they must establish safety fitness and proof of insurance. In addition, bus carriers must comply with tariff, insurance, and process agent designation requirements before commencing operations. With regard to insurance, bus carriers must file insurance in the amount of $5,000,000, if they use vehicles with seating capacities of 16 passengers or more and in the amount of $1,500,000, if they use vehicles with a seating capacity of 15 passengers or less. The Commission ensures that licensed carriers have sufficient insurance to cover their services. Where carriers display an unwillingness to abide by the Interstate Commerce Act and Commission regulations or orders, the Commission takes the necessary steps to ensure that the carrier ceases operations.

The Commission's authority over bus rates is limited. The ICC may adjudicate a rate complaint but has no authority to prevent a rate change from taking effect. 49 U.S.C. 10708.

The Bus Act included provisions partially pre-empting states from regulating intrastate rates and exit from unprofitable services. The law gave the ICC authority to allow rate increases and route abandonments where they are unreasonably withheld by the States.

The Commission maintains regulations for the adequacy of intercity motor common carrier passenger service at 49 CFR 1063.[1] The Commission monitors carrier compliance with these regulations and responds to public complaints concerning these regulations.

The Commission also has jurisdiction over the merger of motor passenger carriers: 49 U.S.C. 11343. The standard for approving mergers is consistency with the public interest. The Commission also has authority to condition its approval of a merger to ensure that the public interest is protected.

FINANCIAL HEALTH OF BUS INDUSTRY

Mr. CARR. The GAO recently issued a report on the state of the intercity bus transportation. It concluded that during the 1982 to 1991 period the intercity bus transportation industry was characterized by falling demand and worsening finances. Places served by intercity buses declined by 50 percent, from 11,820 in 1982 to 5,690 in 1991.

What is your assessment of the current financial health of the industry and the prospects for its future viability?

[The information follows:]

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[1] ICC statutory authority regarding intercity bus transportation is found at 49 U.S.C. 307 (safety information and intervention by the Department of Transportation), 10701 (standards for rates), 10702-10705 (authority to establish rates, routes, classification, rules, practices, and through routes joint classification, rates and divisions), 10708 (rate investigation and suspension power), 10721 (government traffic), 10722 (special passenger rates), 10724 (emergency rates), 10730 (released value rates), 10741 (bar against discrimination), 10761 (bar against service without tariff), 10762 (general tariff requirements), 10764 (filing of arrangements between carriers), 10922 (licensing), 10922(c) (special and charter operations), 11101 (standard for service), 11141-11145 (accounting and records), 11701 (investigation authority), 11702 (general enforcement power), 11707 (bills of lading liability), 11708 (private enforcement), 11901 (general civil penalties), 11904 (rate discrimination), 11905 (transport of passengers without charge), 11906 (evasion of regulation), 11909 (recordkeeping), 11910 (disclosure of data), and 11914 (general criminal penalties).

The intercity bus carriers reported improved earnings in 1992 compared to 1991. For example, Greyhound Lines, Inc., the only transcontinental carrier in the industry, achieved a substantial increase in earnings despite declines in revenues and ridership, as the company implemented operating efficiencies and cost-containment strategies.

The composite earnings of nine of the largest regional intercity bus companies for the year 1992 increased in comparison to the year 1991. Net carrier operating income rose $2 million to $10.4 million and net income increased $0.6 million to $6.2 million. Operating revenues rose 2.6 percent and ridership improved by slightly less than 1 percent.

Some regional carriers, however, take the position that Greyhound's improvement results from practices that adversely affect them because of increased terminal space rental rates and higher charges for other operational services Greyhound performs for tenant carriers. At the present time, information on the financial health of the regional carriers and the industry as a whole, other than Greyhound, is limited. The Commission has recently instituted a study of the intercity bus industry. We will be better able to comment on the industry's financial picture and future viability once the study is completed and evaluated this summer.

BUS SERVICE CHARACTERISTICS

Mr. Carr. What are the socioeconomic characteristics of groups affected by intercity bus service abandonments?

[The information follows:]

Census data, surveys by Greyhound, and information collected by various States provide a reasonably accurate picture of these groups. The income of bus riders tends to be relatively low. An on-board passenger survey by Greyhound in 1991 found that 46 percent of their riders had incomes of $15,000 or less. This was also confirmed by a Commission study in 1984. Further, the Greyhound survey found that over 54 percent of their riders did not own a car or did not own one that they felt comfortable in for longer trips. The majority of individuals affected by bus service abandonments live in rural areas. According to the GAO Report, *Availability of Intercity Bus Services Continues to Decline*, June 1992, the Motor Carrier Ratemaking Study Commission found that the preponderance of points abandoned (80.7 percent) had populations of less than 2,500. Bureau of Census data suggest that bus riders are primarily female, and generally have lower levels of education than those who ride the train or airplane. Finally, available data indicate that two-thirds (67 percent) of their passengers were visiting friends or on vacation.

BUS INDUSTRY ADEQUACY OF SERVICE

Mr. Carr. What is your current assessment of the frequency and adequacy of bus service for rural communities, particularly following the 1990 Greyhound strike?

[The information follows:]

Regular route bus service has long represented a small, declining, and relatively unprofitable share of intercity passenger travel. Shrinking rural populations, increased competition from air and (heavily subsidized) rail transportation, and increased car ownership have led to continuing losses in bus ridership and to reductions in bus service.

Over 16,000 locations received bus service in 1968, over 14,000 in 1977, and 11,280 in 1982. The General Accounting Office recently reported the number of locations receiving bus service had fallen to about 5,700 in 1991, and to only 5,160 by January 1993. Most of the lost service has been in rural areas.

The Commission has recently initiated a multifaceted and detailed study of the bus industry. One of the key elements of this study will be an examination of adequacy of service. We hope to announce the results of our study by early this summer.

Mr. Carr. What have been the results of your program to monitor the operations of the intercity bus companies?

What problems regarding adequacy of service have you uncovered at Greyhound and the regional intercity bus operators?

[The information follows:]

The Commission's field staff is in the third year of conducting a special compliance monitoring project of motor passenger carrier terminals and on-board bus operations. The activity for the first two years involved only Greyhound's operations, and this year's monitoring program is a mixture of the operations of Greyhound and regional carriers.

During the first two years, there were 155 bus terminal inspections and 136 on-board (ride on) reviews. No problems were noted by the field staff in some instances, while other reviews did show practices contrary to the Commission's Adequacy of Services regulations. The principal deficiencies identified related to the absence of bus schedules and related information in the terminals and aboard buses which are needed to keep the public informed of the carrier's operations. These deficiencies were brought to the attention of the carrier's top management and, in every instance, commitments were made to correct the discrepancies.

BUS INDUSTRY OPERATING RATIOS

Mr. **Carr**. What was the operating ratio for this industry last year and how does that compare with the previous two years?

[The information follows:]

The following table shows the operating ratios of all Class I intercity bus companies for the years 1992, 1991, and 1990. Because Greyhound Lines, Inc., is the predominant carrier in this industry, operating ratios are also shown for Greyhound and for all Class I bus companies excluding Greyhound.

OPERATING RATIOS [1]

[Amounts in percent]

	All class I intercity bus companies	Greyhound Lines, Inc.	All class I intercity bus companies excluding Greyhound
1992	93.2	92.9	94.0
1991	99.1	100.4	95.3
1990	[2] 109.5	[2] 114.6	96.0

[1] Ratio of operating expenses to operating revenues.

[2] The unfavorably high operating ratio for all Class I companies and for Greyhound for the year 1990 is attributable to a strike at Greyhound which had a substantial adverse affect on its operations.

BUS INDUSTRY MARKET SHARES

Mr. **Carr**. What market share of the intercity bus industry does Greyhound currently have, and what percentage of Greyhound's main points have other forms of intercity transportation?

[The information follows:]

Greyhound dominates the provision of regular route intercity bus service. GAO recently reported that, as of December 1991, Greyhound represented about 75 percent of intercity bus revenues and 43 percent of passengers. It served about 2,700 of the 5,690 locations then receiving bus service, and another 600 or so communities in 20 states were served by the 73 local transit providers participating in Greyhound's Rural Connection Program, which is now called its Rural Van Service.

We have no information on how many of the main points served by Greyhound also receive scheduled rail or air service.

BUS INDUSTRY EXITS AND DISCONTINUANCES

Mr. **Carr**. For the record, please provide a chart which shows for each of the last three fiscal years: the number of bus service exit petitions received and granted; miles of exit service granted; and listing of communities or end points between which service was discontinued.

[The information follows:]

Set forth below is a table of all bus service exit petitions filed during the last three fiscal years. All were granted.

FY 90			
MC-1515 (Sub-No. 404) Greyhound Lines, Inc.	Between Salina, KS and the Kansas/Colorado State line near St. Francis, KS; and between Wichita and Saline, KS	Filed 12/22/89	Decided 3/22/90
MC-1515 (Sub-No. 405) Greyhound Lines, Inc.	Between Laramie, WY, and the junction of U.S. Highway 30 and Interstate Highway 80 (Walcott Junction)	Filed 1/16/90	Decided 4/12/90
MC-1515 (Sub-No. 406) Greyhound Lines, Inc.	Between Hawkinsville and Baxley, GA; and between Augusta and Milledgeville, GA	Filed 1/31/90	Decided 4/27/90
MC-1515 (Sub-No. 407) Greyhound Lines, Inc.	Between Greensboro and Fayetteville, NC; and between Fayetteville, and Wilmington, NC	Filed 2/21/90	Decided 5/22/90
MC-1515 (Sub-No. 408) Greyhound Lines, Inc.	Between Lexington and Jackson, TN	Filed 4/9/90	Decided 7/9/90

FY 91			
MC-1515 (Sub-No. 413) Greyhound Lines, Inc.	Between Starkville and Kosciusko, MS	Filed 3/25/91	Decided 6/4/91
MC-1515 (Sub-No. 414) Greyhound Lines, Inc.	Between junction U.S. Highway 101 and California Highway 12, at or near Cloverdale, CA, and Fort Bragg, CA	Filed 4/12/91	Decided 7/11/91
MC-1515 (Sub-No. 415) Greyhound Lines, Inc.	Between Opelousas and Kinder, LA	Filed 5/15/91	Decided 7/16/91

FY 92			
MC-116140 (Sub-No. 19) Concord Coach Lines, Inc., d/b/a Concord Trailways	Between Littleton and Colebrook, NH	Filed 3/9/92	Decided 5/6/92

The Commission maintains no record of how many exit miles were granted.

BUS INDUSTRY SERVICE COMPLAINTS

Mr. **Carr**. Please provide for the record an update for the chart on page 184 of last year's hearing record concerning trends in bus passenger service complaints.

[The information follows:]

BUS PASSENGER COMPLAINTS

	Fiscal year		
	1990	1991	1992
Failure to provide scheduled service	31	56	48
Delays in providing service in accordance with published operating schedules	54	86	71
Service provided by unauthorized carriers	20	21	33
Service failures, e.g., equipment breakdowns	2	22	25
Overcharges or duplicate payments in connection with rates and charges in tariffs	42	23	24
Dissatisfaction with carriers handling and processing of claims	59	49	43
Total complaints	208	257	244

UNIFORM RAILROAD COSTING SYSTEM

Mr. **Carr**. In 1989, the ICC adopted the Uniform Railroad Costing System as its general purpose costing system, effective February 1990.

Now that you have had several years of experience with this, are you satisfied with the accuracy and utility of the cost system?

[The information follows:]

The Uniform Railroad Costing System (URCS) has met all of our expectations for both accuracy and utility. After its implementation in 1990, we experienced very few problems with URCS. The URCS computer programs have been remarkably free of error, and the Commission's staff and the public have found the system easy to use. As part of our ongoing research, we have a proceeding underway to consider further improvements to the costing system.

We are generally pleased with URCS, and continue to believe that it is considerably more accurate and much easier to use that its predecessor, Rail Form A.

Mr. **Carr**. What efforts are underway to improve railroad cost information?

[The information follows:]

The Commission's main effort to improve railroad cost information is focused on Ex Parte No. 431 (Sub-No. 2), *Review of the General Purpose Costing System*. In this proceeding, we are reviewing the entire railroad costing methodology and will be proposing a number of improvements to our general purpose costing system. We expect to recommend improvements in: (1) the statistical procedures used to develop the Uniform Railroad Costing System (URCS) variability factors; (2) the TOFC/COFC costing methodology; (3) the development of URCS update indices; (4) our treatment of switching and terminal expense and operating data in applying URCS to individual carriers; and (5) car-type reporting. In addition to these items under current review, we recently implemented a new individual carrier "make-whole" cost adjustment procedure which improved the accuracy of cost estimates developed for single- and multi-car shipments.

Mr. **Carr**. Are the Commission's railroad costing practices now consistent and in conformity with the principles recommended by the Railroad Accounting Principles Board?

[The information follows:]

Yes. In 1989, the Commission completed two rulemakings that implemented the Railroad Accounting Principles Board's (RAPB) recommendations. One was *Modifi-*

cations to General Purpose Costing Systems, 5 I.C.C.2d 880 (1989), which implemented the RAPB's recommendations concerning depreciation accounting, deferred taxes, the current cost-of-capital, and the use of a jurisdictional adjustment factor. The other was *Uniform Railroad Costing System*, 5 I.C.C.2d 894 (1989), which implemented the Uniform Railroad Costing System as recommended by the RAPB.

Mr. CARR. You have underway currently an effort to revise the Uniform Railroad Costing System. Please summarize for the record the public comments received in August 1992 and any preliminary findings to date.

[The information follows:]

The Association of American Railroads (AAR) was the only party to submit comments in Ex Parte No. 431 (Sub-No. 2), *General Purpose Costing Systems—GPCS,* which called for initial comments in August 1992. The AAR's comments addressed primarily the econometric study that underlies the Uniform Railroad Costing System's (URCS) variability factors. The AAR specifically recommended that the Commission consider: (1) a revised set of regression equations; (2) the inclusion of certain railroad data that are currently excluded from the econometric study; (3) a new set of expense account groups; and (4) the continued use of a jurisdictional adjustment factor (bridge mechanism). The comments are being studied, and we expect to publish our preliminary findings for comment later this year.

RAIL RATE REASONABLENESS

Mr. CARR. The U.S. Court of Appeals overturned the Commission's method of determining maximum reasonable rail rates in the McCarty Farms case. Please discuss the impact of that decision and how the ICC plans to respond to it.

[The information follows:]

The direct consequence of the court decision remanding the McCarty Farms case is that the long-running dispute over the level of rail rates between the Burlington Northern Railroad and Montana grain producers and shippers remains unresolved. Beyond this obvious result, the court's decision leaves the Commission with only one judicially approved method of evaluating the reasonableness of rail rates—the so-called constrained market pricing approach (CMP).

While the agency is on record as stating that constrained market pricing is the preferred and most accurate procedure available for determining the reasonableness of rail rates, the Commission also recognizes that the complexity and cost associated with the current CMP methodology may make it inappropriate for adjudicating smaller rate disputes. The Commission's on-going rulemaking (Ex Parte No. 347 (Sub-No. 2), *Rate Guidelines—Non-Coal Proceedings*) is actively considering the issue of what other rate reasonableness procedures can be used if the constrained market pricing methodology were determined to be inappropriate. Currently, several simplified rate reasonableness methodologies have been proposed and interested parties have been invited to comment on the usefulness of these procedures.

Regarding the McCarty Farms case, the Commission, after thoroughly reviewing the court's decision and consulting with the Department of Justice, determined not to seek further judicial review. Therefore, in a decision served March 26, 1993, the Commission reopened the McCarty Farms case and directed the parties to address whether the constrained market pricing methodology could be used to resolve this case or whether the proceeding should be held in abeyance pending development of suitable alternative methodologies in Ex Parte No. 347 (Sub-No. 2). Responses from the parties are due by early May.

DIRECTED RAIL SERVICE

Mr. CARR. The Commission has the authority to direct a railroad to provide service on another rail line if a railroad ceases operations due to bankruptcy or abandonment. The most recent instance of directed rail service occurred in January of this year involving the Great Western Railway Company and Denver Railway.

Will you share with us the details of that situation?

[The information follows:]

In April 1992, the Commission's Office of Compliance and Consumer Assistance (OCCA) received a failure-of-service complaint from shippers located on the Denver Railway and a request for the Commission to direct service over that line. The Denver Railway serves industrial shippers located in Denver, Colorado, on two unconnected line segments.

In response to the complaint and directed service request, the Commission's Denver office was instructed to conduct an on-site inspection of the railroad and to interview shippers and railroad officials. The problem was identified as a shortage of locomotive power and the financial inability to acquire sufficient locomotives. The field staff then contacted Denver Railway's connecting carriers (Burlington Northern Railroad and Denver and Rio Grande Western Railroad) and encouraged their cooperation by making any accommodation possible in terms of locomotive equipment. The Denver and Rio Grande Western Railroad temporarily leased Denver Railway a locomotive with which to restore its operations.

On April 17, 1992, based on the availability of the Denver and Rio Grande Western Railway's locomotive, the Commission's staff notified the complainants of their view that the Denver Railway was doing everything possible to continue essential rail services and that the statutory requirements for directed service were not present at that time.

In August 1992, the Commission's staff was again notified that service on the Denver Railway had been suspended due to the recall of the Denver and Rio Grande Western Railroad's locomotive. However, service continued sporadically through November, when shippers notified the Commission that Denver Railway service had ceased completely with no apparent promise of resumption. In each subsequent conversation between the Commission's staff and Denver Railway, Denver Railway continued to hold out some hope that within days it would have sufficient equipment to resume operations. When the Denver Railway failed to resume its operations by the previously agreed upon deadline of January 8, 1993, the Commission issued Directed Service Order No. 1512 to The Great Western Railway Company effective at 12:01 p.m., January 8, 1993, authorizing uncompensated directed service for a period of 60 days. On March 5, 1993, with no prospect of a resumption of operations by Denver Railway, Directed Service Order No. 1512 was extended for 180 days and remains in effect.

COMMISSIONERS' STAFFING

Mr. CARR. The ICC's submission to OMB for the commissioners and their offices allocates 24 of 46 staff-years—or 52 percent of FTE resources—to motor carrier licensing and finance issues. The President's budget, however, allocates only 13 of 45 staff-years—or 28 percent of total staff resources—to this function.

What accounts for the significant shift in the targeting of resources within this office?

[The information follows:]

The motor and rail staff-year allocations in the OMB and President's budget submissions for the Commissioners and their offices are based on the program offices' motor and rail workload and associated staff-years when the budget estimates were developed, with an adjustment for those workload activities which do not come before the Commissioners for consideration. The staff-year allocations for the FY 1994 President's submission were based on the FY 1991 actual workload and staff-year allocations adjusted for projected FY 1994 workload. The staff-year allocations for the FY 1994 OMB submission were based on the program offices' estimates based on the FY 1992 actual workload adjusted for revised FY 1994 workload projections. The expected FY 1994 decrease in motor carrier licensing workload from dual applications for permanent freight and broker authority and motor finance matters, and an expected increase over the FY 1992 workload in rail finance cases caused the motor to rail mix to be adjusted. The rail finance and rate cases are more complex, and it is anticipated that they will require more time for Commission review and decisionmaking than will the motor cases.

Mr. CARR. Please provide for the record a breakdown of how the 42 staff-years in fiscal year 1993 for the commissioners and their offices will be allocated between the commissioners and the satellite offices.

[The information follows:]

Three Commissioners currently have vacant staff positions in their offices, which reduce the projected staff-year usage from the authorized level of 45 to 42. The breakdown of the staffing levels is shown below.

COMMISSIONERS AND THEIR OFFICES

	Fiscal year 1993 staff-years
Commissioners:	
Chairman McDonald	7
Vice Chairman Simmons	6
Commissioner Philbin	5
Commissioner Phillips	5
Commissioner Walden	[1] 5
Subtotal	28
Satellite offices:	
Congressional Affairs	4
External Affairs	3
Human Relations	3
Inspector General	4
Subtotal	14
Total	42

[1] This figure does not represent actual usage but projected usage developed before Commissioner Walden's appointment. Commissioner Walden does not intend to hire above his current actual usage of 4 FTEs.

Mr. CARR. The Commission's submission to OMB indicates that the motor carrier licensing workload is likely to increase slightly through fiscal year 1993 as carriers will be required to file separate filings for specific types of operations. However, the President's budget submission indicates that the motor carrier licensing workload is projected to decrease through fiscal year 1993.

Which is the case?

[The information follows:]

The OMB submission was based on a projected figure of 14,200 motor carrier applications and fees for FY 1992. In turn, we projected 14,700 motor applications for FY 1993 and 13,100 for FY 1994. However, the President's budget submission is based on the actual figure of 17,140 motor carrier applications and fees for FY 1992. We still believe that once the OP–1 (motor carrier licensing application) form is finalized many motor carrier applicants will initially file multiple types of applications, but will soon tailor their requests only to operations they will actually conduct. Based on the projected 14,200 motor applications for FY 1992, we projected an increase of 500 applications in FY 1993 and a drop of 1,600 in FY 1994 as a result of better tailored application filings.

However, because the actual workload for FY 1992 was 17,140 applications and our first quarter actuals for FY 1993 were annualized at about 15,300 applications, we adjusted our figures upward for FY 1993 to reflect the more recent trends. We kept the same figure for FY 1994, rather than the lower figures that had been projected in the OMB submission. Although the figures projected for FY 1993 and FY 1994 show a decreasing trend when compared with the 17,140 applications filed in FY 1992, they remain higher than those initially projected in the OMB submission. Indeed, we anticipate the level of application filings will still be far greater than the 500 increase over the initially projected 14,200 figure for FY 1992.

INSPECTOR GENERAL'S FUNDING

Mr. CARR. An increase of $14,400 is requested for the Inspector General's Office for fiscal year 1994, although staffing is assumed to remain constant at 4 FTEs. Please provide additional detail regarding how these funds are to be used.

[The information follows:]

The majority of the funding increase ($10,900) is required for personnel compensation and benefits. In addition, the Office has requested an additional $2,000 in travel resources for FY 1994. The remainder of the difference is distributed among increased GSA rent costs, communications, additional training resources, and increases in the cost of supplies.

Mr. CARR. How will the $50,000 for contractual services for the Office of Inspector General be used in Fiscal Year 1994?

[The information follows:]

A total of $50,000 is requested for contracts for the Office of the Inspector General in FY 1994. Contractual services are required to provide for investigatory and audit services to meet unanticipated needs.

COMMISSIONERS' TRAVEL

Mr. CARR. You are requesting $45,000 in travel funds for the commissioners, an increase of 36 percent of the fiscal year 1993 budgeted level.

Why is such a large increase needed for travel?

[The information follows:]

The $45,000 represents a $12,000 increase over the FY 1993 budgeted level. Included in the $12,000 are $1,400 increases for each Commissioner, $2,000 increases for the Office of Congressional and Legislative Affairs and the Office of the Inspector General, and a $1,000 increase for the Office of Human Relations. The Commissioners' increase is needed to provide increased Commission participation at meetings and conferences with shippers, carriers, and other interested parties. The Office of Congressional and Legislative Affairs travel increase stems from an anticipated FY 1994 increase in congressional field hearings at which the Commission will testify. The Office of the Inspector General expects to perform expanded regional internal audit and investigative activities in FY 1994 which will require additional travel funds. Lastly, the Office of Human Relations' travel increase reflects funds needed to provide regional human relations training and handle increased EEO complaint activity.

COMMISSIONERS' STAFFING

Mr. CARR. Please update for the record the data on Commissioners' office staffing shown on page 248 of last year's hearing record.

[The information follows:]

Name	Grade	Position
Office of Chairman McDonald:		
Dixie E. Horton[1]	GM-15	Chief of Staff.
Beryl H. Gordon	GM-15	Attorney Advisor.
Amy A. Northcutt	GM-15	Chief of Staff, Acting
Walter D. Strack[2]	GM-15	Staff Advisor (Economics).
Craig H. Middlebrook[2]	GM-14	Attorney Advisor.
Vera A. Dowhan	GS-11	Confidential Assistant.
Lorelei W. Ransome	GS-9	Secretary.
Charles N. Jones	GS-7	Clerk.
Office of Vice Chairman Simmons:		
Thomas T. Vining	GM-15	Chief of Staff.
Van A. Bosco	GM-15	Attorney Advisor.
Rickey L. Crawford	GM-15	Attorney Advisor.
Hazel M. Lowe	GS-11	Confidential Assistant.
Rebecca W. Powell	GS-8	Secretary.
Office of Commissioner Phillips:		
Debra A. Weiner	GM-15	Chief of Staff.
Samuel E. Eastman	GM-15	Attorney Advisor.
Vacant	GM-15	Attorney Advisor.
Janie A. McCutchen	GS-13	Staff Advisor.
Marie C. Anderson	GS-9	Executive Assistant.
Office of Chairman Philbin:		
Jon R. Stover	GM-15	Chief of Staff.
Steven E. Wermcrantz	GM-15	Attorney Advisor.
Sharron A. Rankine	GS-14	Special Assistant.
Lee A. Huey	GS-11	Confidential Assistant.
Vacant	GS-8	Secretary.
Office of Commissioner Walden:		
William A. Mullins	GS-15	Chief of Staff.
Vacant	GM-15	Attorney Advisor.
Vacant	GM-15	Attorney Advisor.
Deborah J. Hutton	GS-12	Confidential Assistant.
Melissa J. Temeles	GS-8	Special Assistant

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[1] Employee detailed to Office of External Affairs as Acting Director.

[2] Employee detailed from another office.

EXTERNAL AFFAIRS' MAILING

Mr. CARR. Please update for the record the data on Office of External Affairs mailings, as shown on page 249 of last year's hearing record.

[The information follows:]

The Office of External Affairs has mailing lists maintained and updated in-house. The approximate total number of individuals and organizations on these various lists is 620.

A breakdown of the total estimated mailings during the period of October 1, 1992 through September 30, 1993 is:

Press release mailings—112,800 (300 releases; 376 on mailing list);

Annual report copies disseminated—2,000;

Correspondence to industry, associations, individuals, and States and Federal agencies—2,200.

Employee newsletter (internal)—4,960 (8 newsletters disseminated to approximately 620 employees);

Daily clippings (internal)—5,980 (260 days a year, average 10 pages a day—reading 9 newspapers daily and 15 magazines and trade publications—disseminated to 23 offices); and

All-employee communications/memos (internal)—3,720 (approximately 6 annually disseminated to average of 620 employees).

SATELLITE OFFICES' STAFFING

Mr. CARR. Please provide for the record an updated staffing table of the satellite offices similar to that shown on page 249 of last year's hearing record.

[The information follows:]

Position, title, and grade	Fiscal year		
	End-of-year 1992	Projected 1993	Projected 1994
Office of Human Relations:			
Assistant to the chairman (ES-4)	1	1	1
Equal employment manager/equal opportunity manager (GM-13, GS-6)	2	2	2
Total	3	3	3
Office of the Inspector General:			
Chief (GM-15)	1	1	1
Attorney adviser (GM-15)		1	1
Assistant IG for audits (GM-14)	1	1	1
Program analyst (GS-12/13)	1	1	1
Total	3	4	4
Office of Congressional and Legislative Affairs:			
Director (ES-6)	1	1	1
Deputy Director/Congressional Liaison Representative (GM-15, GS-14)	2	1	1
Special assistant to Director (GS-11)		1	1
Secretary (GS-8)	1	1	1
Total	4	4	4
Office of External Affairs:			
Director (ES-6)	1	0	0
Public affairs specialist/external affairs assistant (GM-14, GS-8)	3	3	3
Total	4	3	3

COMMISSIONERS' TRAVEL AND OTHER EXPENSES

Mr. CARR. Please update for the record the breakdown of travel and other expenses for the commissioners and their offices as shown on pages 249 and 250 of last year's hearing record, by adding fiscal year 1994 and dropping fiscal year 1990.

[The information follows:]

COMMISSIONERS AND THEIR OFFICES

[In thousands of dollars]

Other expenses	Fiscal year			
	1991	1992	1993	1994
Travel	28	25	[1] 33	45
Other expenses:				
Transportation of things	0	0	0	0
Rental payments to GSA	637	672	702	720
Communications and utilities	43	38	52	58
Printing and reproduction	14	16	17	18
Other services [2]	12	16	17	[3] 23
Supplies and materials	20	20	21	24
Furniture and equipment	0	0	0	0
Total, other expenses	726	762	809	843

[1] FY 1993 Commissioners' travel was held to FY 1992 funded level of $25,000. Additional travel funds for FY 1993 are assigned to the satellite offices.

[2] These figures also include training, health, and other such services.

[3] FY 1993 and FY 1994 excludes program contracts which are a separate budget item.

LEASED VEHICLES

Mr. CARR. How many and what type of vehicles are leased by the Commission and what are the 1992 actual, and 1993 and 1994 estimated lease costs?

[The information follows:]

In FY 1992, the Commission maintained leases for a Ford Taurus station wagon at an annual cost of $3,394 and a Chrysler New Yorker sedan at an annual cost of $3,661. These leases were not renewed in FY 1993 as the Commission was assigned two compact Ford Tempos and one Chevrolet Celebrity sedan by the General Services Administration. These cars will be assigned to the Commission in FY 1994.

Mr. CARR. Does the ICC use appropriated funds to support a driver and/or chauffeur for the commissioners or senior staff?

[The information follows:]

The Commission does have on its payroll three employees in clerical position whose duties include, among others, driving the Commissioners and senior staff. Their primary responsibilities include clerical duties such as reviewing correspondence, incoming documents, and mail; distributing mail to the Commissioners' offices; assembling material for outgoing correspondence and hearings, etc.

SECRETARY'S ELECTRONIC DOCUMENT MANAGEMENT

Mr. CARR. What staff savings are anticipated in maintaining docket files in fiscal year 1994 due to new optical scanning equipment, computer software, and enhanced microfilming equipment?

[The information follows:]

We anticipate staff savings of 5 staff-years in maintaining docket files utilizing an electronic document management system or enhanced microfilming medium, once a process or system has been fully evaluated and selected. The actual level of staff savings will depend on the design, equipment, and system implemented. The only study the agency has contracted for to date is one from General Analytic Corporation (GAC). The GAC design and study recommends integrating the current Office of the Secretary Local Area Network and the current Office of Tariffs Local Area Network within a new Imaging Local Area Network in an automated mail room. The Commission has opted to proceed with the Department of Transportation's Volpe National Transportation Systems Center for a separate tariff filing system and plan due to the large immediate savings which could be achieved.

The Commission will continue to evaluate all electronic document management processes available in maintaining the docket files for improved efficiency and productivity with funds available in FY 1994.

Mr. CARR. To what activities will these savings be reallocated?

[The information follows:]

If optical scanning, computer software, or enhanced microfilming equipment is implemented during FY 1994, the projected staff savings for the Office of the Secretary could be reallocated to other areas of the Office where staffing may be short or where it is anticipated that an increase in the undercharge workload is likely to occur. These areas include the Certification Unit, Recordations Unit, Legal Unit, Clearance Unit, and the Case Control Branch. The savings could also permit reduction in personnel, if necessary to meet further reduced staffing levels.

AUTOMATED RESPONSE SYSTEM

Mr. CARR. Please quantify the impact of the Automated Response System on the workload and the staffing in the Library and Reference Services Unit.

What has been the public response to the new system?

[The information follows:]

The Automated Response capability System (ARC) became operational on January 20, 1993, and handles about 12,000 calls per month that would otherwise be handled throughout the agency. Most of the calls deal with insurance, permanent authority applications, the diesel fuel hotline, and a variety of information/media type of topics. To date, the immediate impact of ARC on the workload and staffing of the Library and Reference Services Unit and other offices of the Commission has not been significant. For example, prior to the implementation of ARC, the Library and Reference Services Unit received about 1,400 calls per month. After implementation, the Library and Reference Services Unit handles about 1,200 calls per month. As more of the public learns of and uses ARC, however, we anticipate further efficiencies in these and other offices that use the system.

REPORTING CONTRACTS

Mr. CARR. How much was spent for the reporting contract to cover Commission oral hearings, conference transcripts, and depositions in fiscal year 1992, and how much is allocated for fiscal years 1993 and 1994?

[The information follows:]

In FY 1992, the reporting purchase order stipulated that in consideration of the Government allowing the contractor to use the data gathered under the agreement, the contractor agreed to perform the service therein at no charge to the government. Since this agreement is subject to change, $10,000 was allocated for FY 1993 and FY 1994.

MESSENGER SERVICE

Mr. CARR. Why is it necessary to spend $25,000, as requested in your justifications, for messenger service?

How much was allocated for this purpose in fiscal year 1993 and spent in fiscal year 1992?

[The information follows:]

The messenger service is used to: provide immediate service of rail and pipeline decisions as specified in 49 U.S.C. 10329(c)(1); deliver *Federal Register* material for daily publication; deliver time-sensitive DOT carrier safety rating material for decisionmaking in adjudicating operating authority applications; and deliver decisions to the Congress so that they are distributed in a timely manner.

A contract of this caliber is required because of the volume and time-sensitive nature of the materials involved and the statutory requirement for immediate service of decisions. In FY 1992, the cost of messenger service to the Commission was approximately $12,000. The Fiscal Year 1993 and 1994 estimates for $25,000, which are comparable to pre-FY 1992 levels, are deemed appropriate considering the level of service, the frequency of deliveries noted above, and inflationary increases.

GENERAL COUNSEL'S STAFFING

Mr. CARR. The Commission's submission to OMB included a request of 17 staff-years for the Office of General Counsel as compared with 20 staff-years requested in the President's budget.

What would be the expected impact on the Office of General Counsel if we were to approve the staffing level included in the Commission's OMB submission?

[The information follows:]

A reduction to 17 staff-years would represent a 19-percent reduction in the General Counsel's current staffing level of 21 FTEs. It would also represent a 32-percent reduction from 1989 staffing levels. A reduction of this magnitude would require the reduction-in-force of two attorney positions and one additional clerical position, in addition to the clerical position that is already scheduled to be lost.

To enable the General Counsel to keep up with the Commission's litigation workload, the Commission may need to curtail the number of cases in which the General Counsel is delegated decision drafting or review responsibilities. The Commission has been able to improve the quality of its decisions and thereby reduce the number of its cases that are challenged in court by having its General Counsel actively participate in the drafting and review of its most significant decisions. These important benefits would be significantly reduced.

Additionally, in *Vedder J. White*, the Third Circuit recently recognized the Commission's efforts to advance its views in the important area of motor carrier undercharge litigation and noted that "the enormous volume of claims makes agency intervention impracticable in every case." The additional reduction from current staffing levels would seriously erode the General Counsel's limited ability to facilitate such Commission interventions as are now being pursued with increasing success.

PROCEEDINGS' STAFFING

Mr. CARR. The OMB submission included a request of 31 staff-years for motor carrier-related activities. The President's budget includes only 12 staff-years for this function. Please explain the reasons for the difference in staffing requests and what activities, if any, will be negatively impacted.

[The information follows:]

The difference in staffing requests reflects the reorganization and transfer of the motor carrier licensing function from the Office of Proceedings to the Office of the Secretary in the President's budget, which was not included in the OMB submission. The function and staff-years will simply move from one office to another so no activity would be negatively affected.

HEARINGS' CASE WORKLOAD

Mr. CARR. What types of cases require the involvement of an Administrative Law Judge?

[The information follows:]

The Office of Hearings devotes its resources to the conduct of adjudicatory hearings pertaining to the rate, finance, and licensing activities of the surface transportation industry. Administrative Law Judges (ALJs) conduct oral hearings, as required; assist in discovery and case management; and issue decisions after examining and weighing the evidence presented. The Commission's two ALJs are also used by other Federal agencies.

Mr. CARR. You are requesting 5 FTEs and $496,000 for the Office of Hearings.

How many ALJs will be supported under this request?

[The information follows:]

The FY 1994 budget request for the Office of Hearings provides for 2 ALJs and 3 administrative staff.

Mr. CARR. What is the reason for the significant increase in workload between 1992 and 1993 for motor carrier-related cases in this office?

[The information follows:]

As the Commission resumes the processing of the pending undercharge rates cases, the Office will perform the discovery in those proceedings in FY 1993. The workload increase for FY 1993 reflects an estimate of the number of referred cases.

PUBLIC ASSISTANCE'S WORKLOAD

Mr. CARR. What types of educational and public outreach activities are projected for fiscal year 1994?

[The information follows:]

Educational and public outreach activities proposed by OPA during FY 1994 include publishing new and revised topical materials for public dissemination by offices throughout the Commission; participating in rail and motor carrier transportation seminars and conferences sponsored by other Federal and State agencies and by private organizations; conducting the annual minority- and female-owned motor carrier survey and updating the identification listing and, upon request, attending oral and public hearings.

Mr. CARR. Please give several examples of State and local liaison activities conducted by the Office of Public Assistance in fiscal year 1993 and planned activities for fiscal year 1994?

[The information follows:]

OPA routinely receives telephone calls and letters from State and local government agencies. The majority of these inquiries relate to requests for guidance on participating in proceedings before the ICC or on the rules and regulations that would apply in different kinds of filings with this Commission. As examples, in recent months this Office has counseled the Maine Public Service Commission on opposing a potential railroad abandonment, the Wisconsin Department of Transportation on rail labor protection issues, and the Montgomery County (Pennsylvania) Planning Commission on imposition of trail use conditions along an abandoned line of railroad track.

OPA disseminates to appropriate State entities copies of all ICC decisions that may affect their respective rules, regulations, and procedures. Since October 1, 1992, copies of 14 rail decisions have been forwarded to 103 different State railroad bodies and 5 motor decisions have been furnished to 47 State agencies involved in the regulation of transportation by motor vehicles.

Assistance is provided to States in complying with the Commission's regulations on intrastate rail rates. Detailed information was recently furnished to the State of New Mexico on how to seek extensions for recertification to regulate intrastate rail rates.

Open lines of communication are also maintained with organizations representing State interests such the National Association of Regulatory Utility Commissioners (NARUC), and the American Association of State Highway and the American Association of State Highway and Transportation Officials (AASHTO). Such liaison activities have proven very useful. For example, in February OPA received a number of complaints from carriers regarding the issuance of tickets for "expired" bingo stamps or crab cards in nine States. NARUC informed this Office it was also receiving such calls. OPA telephoned the appropriate State offices and informed them that their State Law enforcement agencies were erroneously issuing citations to operators of vehicles without 1993 cab cards and/or bingo stamps. Those offices were asked to remand their enforcement arms of ICC's earlier ruling that 1992 cab cards were to remain valid until May 1, 1993. OPA subsequently sent a second packet of information on the Commission's ruling to all 39 States involved in the bingo Stamp program. Following OPA's communications with the States, no further complaints were received on this issue.

OPA projects a continuing need for liaison with State and local communities during FY 1994. Implementation of the single State registration plan enacted by Congress will require extensive coordination between the ICC and the States. Certification of three States to regulate intrastate rail rates expires during FY 1994. These States will likely seek guidance from OPA on Commission recertification processes and requirements. Additionally, environmental issues and labor protection concerns in railroad abandonment and construction proceedings have escalated during the past year. This trend is expected to extend into FY 1994. OPA anticipates a continuing and perhaps growing number of requests from State bodies and local communities for guidance on addressing such issues in proceedings before the Commission.

PUBLIC ASSISTANCE'S TRAVEL

Mr. CARR. Your request for travel funds is $7,000 for fiscal year 1994.

Why are travel fund requirements three and one-half times as large as 1992 levels, when no change is projected in staffing levels?

[The information follows:]

OPA's budget request for FY 1992 was $6,000. Due to budgetary constraints on travel authorizations for the Office, only a third of the requested amount was expended on travel.

The travel restrictions in place during FY 1992 did handicap OPA's ability to conduct meaningful outreach activities. As a example, during FY 1992 this Office was asked to present a large segment of training on rail abandonment and acquisition issues before the National Conference at the State Transportation Specialists. An extensive training package was prepared for this presentation. However, OPA staff were not permitted to attend this seminar which was held in Chicago, Illinois. Alternatively, OPA held several conferences calls with organizers of the conference, and the training package was rewritten as a handout for distribution to the senior participants. The inability to physically attend this conference impaired this Office's ability to have an open exchange of information with our many regulatory counterparts as the State level.

Currently there are several rail construction and abandonment cases before the Commission, some of which may be assigned to hearings. Sufficient funding will permit travel to the hearings, where this office can furnish informative forms of outreach to the concerned parties; whether they be small shippers, State and local communities, railroad employees, or small railroads.

Because it is impossible to predict with any accuracy the number of such hearing or other kinds of educational rail and motor transportation gathering, this Office believes that $7,000 is a resasonable figure.

TRUCK INDUSTRY SERVICE ADEQUACY

Mr. CARR. The ICC Office of Economics completed last year a study examining the adequacy of truck service to small communities in the advent of deregulation. Please summarize for the record the purpose of the study and its findings.

[The information follows:]

The purpose of the study was to update the 1982 study required by the Motor Carrier Act of 1980 on the impact of motor carrier deregulation on trucking service to small communities. Due to the cost and complexity of conducting a shipper survey, as was done in 1982, this study relied on a review of the research of others.

This review found that formal surveys conducted by six different researchers concluded that most shippers in small communities remain satisfied with their motor carrier service following deregulation. Service levels were largely unchanged, although some rate increases were reported. Other studies that attempted to empirically measure changes in the levels and quality of service showed mixed results. Several of these studies relied on directories of carriers to measure quality of service. Most of these reviews generally support the conclusion that deregulation has not adversely affected service to small communities.

FINANCIAL HEALTH OF TRUCKING INDUSTRY

Mr. CARR. Please provide for the record a discussion of the 1993 outlook for the trucking industry similar to that appearing on page 101 of last year's hearing record, and update the table on bankruptcy/ceased operations shown on that same page.

[The information follows:]

The U.S. market for trucking services represents an estimated $278 billion of the Nation's total freight-moving business. At $78 billion annually, the ICC-authorized sector accounts for less than one-third of total trucking. The less-than-truckload (LTL) general freight market is a smaller component still, with ICC LTL trucking generating about $17–18 billion. This market includes carriers such as Roadway, Consolidated Freightways, and Yellow Freight. The balance of the estimated $27.8 billion was imputed revenue from private carriage (*i.e.*. estimated costs paid by manufacturers, builders, retailers, etc.) to haul their own goods.

In terms of revenue, trucking easily retained its lead share of the total U.S. freight market in 1992. This predominance reflects the higher revenues per ton and per ton-mile generated by trucking, compared to rail and barge transport. Conversely, trucking's ton and ton-mile shares of the U.S. freight market are smaller than its revenue share.

Among the ICC 100 Large Carrier group, early indications show strong 1992 revenue and earnings gains—not merely in comparison to weak 1991 figures, but strong in historical terms as well. For the first nine months of 1992, operating profits were up 35 percent and net profits up 61 percent as compared to a comparable period in 1991. Full year 1992 profit gains are likely to show similar strength with continued improvement in the overall economy.

LARGE MOTOR CARRIERS WHICH FILED FOR BANKRUPTCY AND/OR CEASED OPERATIONS IN 1992 [1]

[In millions of dollars]

Carrier	Date	Latest available annual revenues
North Penn Transfer, Inc	Filed for bankruptcy and ceased operations, 2/92	41.5
Pennsylvania Truck Lines	Chapter XI, 4/92	70.1
Carretta Trucking	Chapter XI, 11/92	65.7
Anchor Motor Freight 1991	Chapter XI, 12/92 [2]	186.7
Nu Car Carriers 1991	Chapter XI, 12/92 [2]	47.1
Be Mac Transport Co	Ceased operations, 12/92 and Chapter XI, 1/93	54.8
Jones Transfer Company	Chapter XI and ceased operations, 12/92	50.7

[1] No significant service failures have resulted from these bankruptcies.

[2] Filing under Chapter XI was made by Leaseway Transportation Corp., the parent company of Anchor Motor Freight and Nu Car Carriers.

TRUCKING INDUSTRY ECONOMIC PERFORMANCE DATA

Mr. CARR. Please update for the record the trucking industry economic performance data found on page 102 of last year's hearing record.

[The information follows:]

A comparison of the operating results of 100 of the Nation's largest trucking companies for the nine months ending September 30, 1992 (latest available data) with the same period of 1991 reveals the following:

[In thousands of dollars]

	9 months ending 9/30/92	9 months ending 9/30/91	Percent change
Operating Revenues	17,939,533	16,612,501	+8.0
Net Carrier Operating Income	809,089	599,260	+35.0
Net Income	425,151	263,965	+61.1
Revenue Tons Hauled	142,430	129,901	+9.6

These 100 carriers do not include the United Parcel Service (UPS) carriers, whose operations are dissimilar and highly specialized. The revenues of these carriers account for about 50 percent of the total revenues generated by the approximately 2,000 Class I and II regulated trucking companies.

UPS REVENUE AND INCOME DATA

Mr. Carr. Please provide similar revenue and income data for United Parcel Service carriers.

[The information follows:]

[In thousands of dollars]

	9 months ending 9/30/92	9 months ending 9/30/91	Percent Change
United Parcel Service of America, Inc. and Subsidiaries Consolidated Data:			
Operating Revenues	$12,094,228	$10,907,093	+10.9%
Net Operating Income	$ 900,509	$ 879,616	+ 2.4%
Ordinary Income	$ 517,723	$ 483,945	+ 7.0%
Net Income	$ 268,818[1]	$ 483,945	-44.5%

SOURCE: Securities and Exchange Commission Form 10Q for the quarter ended September 30, 1992, which was filed with both the SEC and ICC.

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[1] Net income is substantially lower than ordinary income due to a $248,905 charge to reflect the cumulative effect of a change in the method of accounting for post-retirement benefits other than pensions in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 106.

MOTOR CARRIER OPERATING REVENUE DATA

Mr. CARR. Please also provide for the record an update of the motor carrier operating revenue data found on page 103 of last year's hearing record.

[The information follows:]

The following schedule compares the total revenues generated by the 10 largest ICC-regulated motor carriers with the total revenues generated by all ICC-regulated Class I motor carriers for each of the years 1978 through 1991. Revenues of the two United Parcel Service carriers have been excluded in compiling these totals because their operations are somewhat dissimilar from those in the rest of the industry.

COMPARISON OF TOTAL OPERATING REVENUES
TEN LARGEST MOTOR CARRIERS AND ALL CLASS I MOTOR CARRIERS

[In thousands of dollars]

	Ten largest Motor Carriers*	All Class I Motor Carriers*	Ratio of 10 Largest to Total All Class I Motor Carriers
1978	$4,821,026	$24,078,871	20.0%
1979	5,468,178	26,558,469	20.6
1980	5,836,711	26,396,124	22.1
1981	6,190,455	27,904,486	22.2
1982	5,952,402	27,352,463	21.8
1983	6,846,628	28,326,858	24.2
1984	7,589,290	29,624,254	25.6
1985	7,597,831	28,131,025	27.0
1986	8,289,625	28,186,333	29.4
1987	8,638,511	28,029,148	30.8
1988	9,447,728	30,689,610	30.8
1989	10,222,208	33,401,403	30.6
1990	10,763,280	35,842,320	30.0
1991	11,296,284	36,074,659	31.3

* Excludes the two United Parcel Service carriers because their operations are somewhat dissimilar from those in the rest of the industry, i.e., pickup and delivery of small packages. Total revenues of the UPS carriers for these years are as follows:

	United Parcel Service, Inc.	United Parcel Service, Inc. (NY)	Total UPS
1978	$1,938,868	$ 836,811	$2,775,679
1979	2,321,633	977,967	3,299,600
1980	2,789,834	1,152,325	3,942,159
1981	3,289,780	1,328,653	4,618,433
1982	3,501,929	1,392,047	4,893,976
1983	3,991,481	1,581,114	5,572,595
1984	4,453,462	1,742,512	6,195,974
1985	4,898,303	1,873,005	6,771,308
1986	5,334,812	2,037,490	7,372,302
1987	5,828,293	2,220,415	8,048,708
1988	6,608,037	2,526,709	9,134,746
1989	7,249,363	2,803,091	10,052,454
1990	7,908,781	2,958,831	10,867,612
1991	8,524,001	3,198,740	11,722,741

SOURCE: All Class I Motor Carrier data from ICC Annual Reports to Congress. Ten largest motor carriers data from Annual Reports Form M filed by carriers with the ICC.

MOTOR CARRIER INCOME TAXES

Mr. CARR. Please also provide for the record an update of the motor carrier income taxes found on page 104 of last year's hearing record.

[The information follows:]

The chart identifies those large motor carriers of property (among the 100 largest) that did not pay any Federal income taxes in 1991.

Large Motor Carriers Not Paying Income Taxes for 1991

[In thousands of dollars]

Motor Carrier	Federal Income Taxes Paid	Provision For Deferred Taxes	Ordinary Income (Loss) After Taxes	Total Operating Revenues
United Van Lines, Inc.	(79)	-	(632)	474,913
Preston Trucking Co., Inc.	(1,084)	(2,428)	(5,954)	414,138
Builders Transport, Inc.	-	(1,228)	(3,924)	211,743
Anchor Motor Freight, Inc.	(11)	-	(11,433)	186,705
Complete Auto Transit, Inc.	(2,568)	3,278	1,910	183,523
Allied Systems "Ltd."	-	-	(4,271)	177,073
TNT Red Star Express, Inc.	(73)	(83)	92	170,563
Southeastern Freight Lines, Inc.	-	-	12,025	158,927
KLLM, Inc.	(125)	2,150	2,820	129,571
Universal Am-Can Ltd.	(529)	(52)	(1,179)	111,855
Merchants Fast Motor Lines, Inc.	(15)	-	(29)	105,286
Poole Truck Line, Inc.	(726)	47	(4,529)	101,727
Direct Transit, Inc.	-	-	2,780	92,600
Freymiller Trucking, Inc.	(426)	(477)	(1,485)	92,360
Ace Transportation, Inc.	(527)	-	786	91,016
Spartan Express, Inc.	(2,783)	-	(5,504)	89,488
Burnham Service Company, Inc.	-	-	3,478	89,008
Cassens Transport Company	(696)	-	(1,433)	80,439
Willig Freight Lines	(959)	-	(1,512)	75,189

Source: 1991 Annual Reports Form M filed by these carriers.

Note: Amounts in brackets under income tax columns represent negative income tax expense. Negative or zero income tax paid can result from one or more of the following: net loss from operations, accelerated depreciation for tax purposes, and tax loss carryforwards. Negative income tax expense can represent refunds due from the Internal Revenue Service or the amounts due from affiliated companies in connection with tax allocation agreements. Amounts shown under column captioned "Federal Income Taxes Paid" include state income taxes; however, almost all is attributed to Federal income tax.

ENVIRONMENTAL CONSULTANTS

Mr. CARR. What is the current budget for consultants in the Office of Energy and Environment to conduct specific environmental and historic preservation studies, and what is requested for fiscal year 1994?

[The information follows:]

For FY 1993, the current budget for consultants to conduct specific environmental and historic preservation studies is $100,000, and for FY 1994, the requested amount is $100,000.

ENVIRONMENTAL ASSESSMENTS

Mr. CARR. What is the current and planned level of activity regarding environmental assessments for applications to convert abandoned rail lines to trails?

[The information follows:]

The agency is not required under the National Environmental Policy Act to assess the environmental impacts associated with the conversion of abandoned rail lines to trails. With respect to trail use, the environmental assessments that are prepared for abandonment cases serve only a notice and information function; i.e., they alert the public to the availability of trails use and the applicable procedures.

ENVIRONMENTAL FUNDING

Mr. CARR. For the record, please update the table on funding for the Section of Energy and Environment as shown on page 261 of last year's hearing record by adding an estimate for fiscal year 1994.

[The information follows:]

FUNDING PROFILE FOR SECTION OF ENERGY AND ENVIRONMENT

[In thousands of dollars]

	Staff-years	Personnel compensation and benefits	Travel	Contracts	Other	Total
Fiscal year:						
1988	11	673	2	5	167	847
1989	11	702	2	1	130	835
1990	11	710	5	20	158	893
1991	11	750	4	2	146	902
1992	11	744	7	0	162	913
1993	10	707	25	[1] 100	150	982
1994	10	731	25	[1] 100	159	1,015

[1] Includes $100,000 for environmental expertise contracts.

RAILROAD REVENUE ADEQUACY

Mr. CARR. Please update for the record the Class I revenue adequacy data on page 188 of last year's hearing record.

[The information follows:]

The following chart shows the revenue adequacy determinations for Class I railroads for each year from 1987 through 1991.

Class I Railroad Revenue Adequacy Determinations (1987-1991)
(Utilizing Return on Investment Equal to Cost of Capital)

(In Percent)

	Notes	1987	1988	1989	1990	1991
Atchison Topeka & Santa Fe		3.6	5.7	0.0	5.0	6.5
Boston & Maine	1	0.0	0.0	---	---	---
Burlington Northern		9.5	11.6	12.5	10.9	0.0
Chicago & Northwestern		3.2	10.5	8.2	7.2	7.1
Conrail		4.3	5.9	2.6	5.6	0.0
CSX		5.9	0.9	6.1	6.8	0.0
Delaware & Hudson	1	0.0	---	---	---	---
Denver & Rio Grande West	2	2.3	6.9	---	---	---
Florida East Coast		6.8	14.6	10.3	6.5	2.2
Grand Trunk Western		0.0	2.0	1.9	0.0	0.0
Illinois Central (Gulf)	3	3.8	2.4	11.2	15.3	15.2
Kansas City Southern		11.0	11.5	10.7	10.8	9.3
Missouri Kansas Texas	4	6.8	---	---	---	---
Norfolk-Southern		7.4	13.1	11.9	11.7	6.0
Soo Line		1.3	5.0	0.0	7.9	4.0
Southern Pacific		1.0	0.0	1.8	5.7	0.0
St. Louis Southwestern	5	6.3	---	---	---	---
Union Pacific		10.0	11.2	10.4	10.4	1.7
COST OF CAPITAL		11.6	11.7	11.5	11.8	11.6

1. These carriers are no longer Class I as of the year(s) indicated.
2. Included with Southern Pacific on a consolidated basis in 1989 through 1991.
3. Changed name from Illinois Central Gulf to Illinois Central in 1988.
4. Due to merger, included with Union Pacific after 1987.
5. Included with Southern Pacific on a consolidated basis in 1988 through 1991.

RAILROAD EARNINGS DATA

Mr. CARR. Please also update for the record the Class I earnings data found on pages 190 through 200 of last year's hearing record.

[The information follows:]

The following are the Office of Economics' latest publicly released earnings on Class I railroads and the accompanying press release.

interstate commerce commission
icc news
12th & constitution avenue nw □ washington dc 20423

FOR RELEASE:
Thursday, December 17, 1992
No. 92-226

CONTACT: ALVIN H. BROWN
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THIRD QUARTER 1992 OPERATING RESULTS OF THE NATION'S LARGEST RAILROADS VARY SLIGHTLY COMPARED TO THIRD QUARTER 1991

Revenues, earnings and traffic volume of the Nation's Class I railroads for the third quarter of 1992 varied insignificantly, compared to the same period of 1991, according to a report issued today by the Interstate Commerce Commission's Office of Economics.

The report compares the operating results of the Class I line-haul railroads for the quarter and twelve months ending September 30, 1992, with corresponding periods of 1991. A comparison of the data by period is shown in the following tables.

(000 Omitted)

	3rd Qtr. 1992	3rd Qtr. 1991	Percent Change
Railway Operating Revenues	$ 7,091,846	$ 7,060,144	+0.4%
Net Railway Operating Income	$ 737,143	$ 746,943	+1.3%
Ordinary Income	$ 641,985	$ 639,594	+0.4%
Revenue Ton Miles (millions)	266,613	265,063	+0.6%

--MORE--

	12 mo. ending 9/30/92	12 mo. ending 9/30/91	Percent Change
Railway Operating Revenues	$ 28,203,397	$ 27,637,348	+2.0%
Net Railway Operating Income	$ 2,608,230	$ 2,240,507	+16.4%
Ordinary Income	$ 2,467,693	$ 2,116,927	+16.6%
Return on Investment	6.89%	6.06%	+13.7%
Revenue Ton Miles (millions)	1,054,708	1,026,103	+2.8%

Note: The above tables exclude large charges by eleven railroads to record major restructuring efforts and adjustments to certain expenses.

Earnings reported for each of these quarterly and twelve month periods were substantially reduced due to large charges resulting primarily from major restructuring efforts by the railroads to eliminate excess capacity and increase labor productivity. To place earnings for the two periods on a comparable basis, operating and ordinary income summarized in the above tables exclude these charges. They are therefore higher than the income figures summarized in the Commission's earnings report.

The report is based primarily upon quarterly reports submitted to the Commission. These figures have not been verified by the ICC. This report excludes the Florida East Coast Railway Company which was reclassified as a Class II railroad by a Commission decision which increased the revenue threshold for a Class I railroad (Ex Parte No. 492, **Montana Rail Link, Inc., and Wisconsin Central Ltd., Joint Petition for Rulemaking with Respect to 49 C.F.R. Part 1201**, served June 17, 1992).

Copies of the report may be obtained from the Office of the Secretary, Publications Room 3392, Interstate Commerce Commission, 12th Street and Constitution Avenue, N. W., Washington, D. C. 20423, telephone (202) 927-7119.

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INTERSTATE COMMERCE COMMISSION
OFFICE OF ECONOMICS
WASHINGTON, DC 20423

CLASS I FREIGHT RAILROADS, SELECTED EARNINGS DATA
(000 OMITTED)

SHEET 1 of 9

		QUARTER ENDED SEPTEMBER 30					TWELVE MONTHS ENDED SEPTEMBER 30					
		RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RETURN ON NET INVESTMENT(%)(d)
EAST - SOUTH DISTRICT.........	1992	$3,042,479	$352,041	$314,824	$314,824	89,008,518	$12,166,601	($252,026)	($338,132)	($473,348)	355,894,610	0.00%
	1991	3,054,990	358,205	325,152	325,152	90,326,263	11,939,707	1,213,969	1,105,675	1,105,675	357,702,797	6.67%
WESTERN DISTRICT..............	1992	4,049,367	154,537	96,596	96,596	177,604,322	16,036,796	793,265	732,059	624,369	698,813,224	4.10%
	1991	4,005,154	(103,262)	(177,558)	(177,558)	174,737,226	15,697,641	71,638	56,352	50,312	668,399,729	0.38%
TOTAL ALL CLASS I FREIGHT RR'S..............	1992	7,091,846	506,578	411,420	411,420	266,612,840	28,203,397	541,239	393,927	151,021	1,054,707,834	1.43%
	1991	7,060,144	254,943	147,594	147,594	265,063,489	27,637,348	1,285,607	1,162,027	1,155,987	1,026,102,526	3.47%

INTERSTATE COMMERCE COMMISSION
OFFICE OF ECONOMICS
WASHINGTON, DC 20423

CLASS I FREIGHT RAILROADS, SELECTED EARNINGS DATA
(000 OMITTED)

SHEET 2 of 9

		QUARTER ENDED SEPTEMBER 30					TWELVE MONTHS ENDED SEPTEMBER 30					
		RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RETURN ON NET INVESTMENT(%)(d)
EASTERN & SOUTHERN DISTRICTS												
CONSOLIDATED RAIL CORP (e)....	1992	$813,331	$95,828	$75,167	$75,167	21,417,996	$3,203,525	($113,630)	($186,132)	($186,132)	84,648,001	0.00%
	1991	807,855	97,454	78,317	78,317	21,389,163	3,136,067	310,232	245,442	245,442	81,689,905	5.48%
CSX TRANSPORTATION (e)........	1992	1,083,750	81,421	80,718	80,718	35,126,876	4,430,983	(539,356)	(491,425)	(650,372)	143,148,436	0.00%
	1991	1,100,818	85,140	78,712	78,712	36,479,510	4,319,339	339,923	325,687	325,687	146,694,277	5.30%
GRAND TRUNK WESTERN(e)........	1992	63,353	(1,544)	(2,488)	(2,488)	1,307,044	269,973	(5,450)	(7,742)	(7,742)	5,139,093	0.00%
	1991	64,524	(3,266)	(3,968)	(3,968)	1,237,349	274,815	(46,552)	(47,282)	(47,282)	5,001,023	0.00%
ILLINOIS CENTRAL	1992	131,461	27,056	17,753	17,753	4,466,775	540,640	116,108	74,569	98,300	18,633,511	15.00%
	1991	139,839	26,259	17,462	17,462	4,995,854	537,178	110,309	59,277	59,277	18,044,686	14.37%
NORFOLK SOUTHERN (e)..........	1992	950,584	149,280	143,674	143,674	26,689,827	3,721,480	290,302	272,598	272,598	104,325,569	5.46%
	1991	941,954	152,618	154,629	154,629	26,224,387	3,672,308	500,057	522,551	522,551	106,272,906	9.88%

INTERSTATE COMMERCE COMMISSION
OFFICE OF ECONOMICS
WASHINGTON, DC 20423

CLASS I FREIGHT RAILROADS, SELECTED EARNINGS DATA
(000 OMITTED)

SHEET 3 of 9

		QUARTER ENDED SEPTEMBER 30					TWELVE MONTHS ENDED SEPTEMBER 30					
		RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RETURN ON NET INVESTMENT(%)(d)
WESTERN DISTRICT												
ATCHISON, TOPEKA & SANTA FE.(e)	1992	$577,818	($143,825)	($161,831)	($161,831)	21,752,876	2,229,807	(2,948)	(71,809)	(71,809)	84,044,086	0.00%
	1991	561,782	56,658	39,948	39,948	21,324,759	2,125,598	157,005	76,927	76,927	79,596,700	4.52%
BURLINGTON NORTHERN (e).......	1992	1,158,179	97,049	74,812	74,812	58,650,321	4,625,144	356,119	289,549	289,549	234,865,196	8.90%
	1991	1,155,139	113,780	80,155	80,155	60,232,241	4,532,243	(139,265)	(264,406)	(259,780)	228,836,078	0.00%
CHICAGO & NORTHWESTERN (e)(f).	1992	209,099	32,203	19,489	19,489	7,642,351	815,950	49,749	(24,575)	(115,376)	30,146,705	4.21%
	1991	203,657	36,581	8,798	8,798	7,663,100	792,444	83,965	(49,881)	(60,547)	28,653,981	7.66%
DENVER & RIO GRANDE(e)........	1992	85,531	1,643	1,007	1,007	4,276,183	332,439	7,043	(1,524)	(1,524)	15,401,615	1.78%
	1991	80,129	6,112	3,641	3,641	3,600,946	324,482	22,372	14,087	14,087	13,862,745	5.65%
KANSAS CITY SOUTHERN	1992	83,415	9,096	8,534	8,534	3,162,776	333,376	40,713	33,504	33,504	12,876,051	8.77%
	1991	83,445	9,986	7,646	7,646	3,217,352	323,360	39,501	30,388	30,388	11,852,719	9.19%

INTERSTATE COMMERCE COMMISSION
OFFICE OF ECONOMICS
WASHINGTON, DC 20423

CLASS I FREIGHT RAILROADS, SELECTED EARNINGS DATA
(000 OMITTED)

SHEET 4 of 9

		QUARTER ENDED SEPTEMBER 30					TWELVE MONTHS ENDED SEPTEMBER 30					
		RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RAILWAY OPERATING REVENUE	NET RAILWAY OPERATING INCOME (a)	INCOME BEFORE X-ORDINARY ITEMS (b)	NET INCOME(c)	REVENUE TON-MILES OF FREIGHT	RETURN ON NET INVESTMENT(%)(d)
WESTERN DISTRICT CONT'D												
SOO LINE (e)....................	**1992**	**$134,820**	**($20,538)**	**($22,839)**	**($22,839)**	**9,437,264**	**576,013**	**(3,607)**	**(14,428)**	**(31,317)**	**22,877,093**	**0.00%**
	1991	151,384	10,329	4,357	4,357	6,011,832	597,166	27,526	8,969	8,969	22,691,561	4.18%
SOUTHERN PACIFIC (e)(g)(h)....	1992	597,810	6,362	618	618	24,309,551	2,388,225	(262,112)	(94,509)	(94,509)	93,503,685	0.00%
	1991	601,258	(596)	9,278	9,278	22,303,996	2,372,729	(179,053)	195,090	195,090	84,747,813	0.00%
UNION PACIFIC (e).............	1992	1,202,695	172,547	176,806	176,806	52,373,000	4,735,842	608,308	615,851	615,851	205,098,793	10.34%
	1991	1,168,360	(336,112)	(331,381)	(331,381)	50,383,000	4,629,619	59,587	45,178	45,178	198,158,132	1.05%

NOTE: This report does not include the National Passenger Corporation (Amtrak) since it is not a freight hauling railroad and is not subject to the ICC Uniform System of Accounts and no longer includes the Florida East Coast Railway Company and Western Railroad Properties, Inc., which were reclassified as Class II railroads, effective January 1, 1992.

a./ Net Railway Operating Income - Difference between operating revenues and the total of railway operating expenses, railway tax accruals and net equipment and joint facility rents.

b./ Income Before Extraordinary Items - Net income after including fixed charges, non-operating income, unusual or infrequent items and earnings attributable to discontinued segments but before extraordinary items and cumulative effect of changes in accounting principles.

c./ Net Income - Net income after extraordinary items and cumulative effect of changes in accounting principles.

d./ Return on Net Investment - Ratio of net railway operating income to net investment in railway property used in transportation services at end of previous calendar year. The latter includes an allowance for working capital and accumulated deferred income tax reserves are subtracted from the net investment base. If net investment data as of the end of each quarter were available, returns on investment would be computed by using an average of the net investment at the beginning and at the end of the respective twelve month periods. However, net investment data is generally only available as of the end of the calendar year and is derived from annual reports (Form R-1) of Class I line-haul railroads which are required to be filed with the Commission by March 31 of the following year. Thus, the net investment data used for this report which represent the latest available end of calendar year data are not averaged in order to assure that net railway operating income is more closely equated, timewise, with the railroad assets generating this income. The symbol -0- for return on net investment indicates a deficit net railway operating income. Net railway operating income shown above is derived from quarterly Forms RE&I filed by class 1 railroads with the Commission.

Return on net investment (ROI), as computed by the Commission for its annual determination of the revenue adequacy of each class 1 railroad, will differ from the ROI's computed for this report. ROI for the revenue adequacy determination is based upon an average of the beginning and end of year net investment base and, as discussed previously, ROI for this report is not based on such averaging. Also, ROI for revenue adequacy is compiled by using net railway operating income and net investment base data as reported by class 1 railroads in Annual Report Form R-1, Schedule 250, Consolidated Information for Revenue Adequacy Determination. The data in this schedule are computed in accordance with certain revisions adopted by the Commission, such as: 1) the inclusion of data of railroad related affiliated companies in the consolidated entity; 2) the inclusion of interest income attributable to the allowance for railroad working capital; and 3) the exclusion of income taxes associated with non operating income, Ex Parte No. 393 (Sub-No. 2), Supplemental Reporting of Consolidated Information for Revenue Adequacy Purposes, served November 17, 1988.

e./ Net railway operating income, income before extraordinary items and net income shown above for some railroads for the quarters ending September 30, 1992 and September 30, 1991, and the twelve months ending September 30, 1992 and September 30, 1991, were affected by large accounting adjustments to record costs of implementing labor force reductions (primarily severance pay and buyouts in connection with the reduction in the size of train crews pursuant to labor agreements); the write-down of light-density lines to be abandoned or sold; costs attributable to personal injury claims and environmental matters; and costs and claims related to litigation and negotiated settlements. The following schedule shows the affected railroads, the amounts of adjustments (less related tax benefits) and the impact on the composite Class I railroad earnings data:

Sheet 6 of 9

		QUARTER ENDED SEPTEMBER 30 1992			TWELVE MONTHS ENDED SEPTEMBER 30, 1992			
		Net Railway Operating Income	Income Before Extra-Ordinary Items	Net Income	Net Railway Operating Income	Income Before Extra-Ordinary Items	Net Income	Return on Net Investment
Total All Class I Freight Railroads (Per Summary on Page 1)...........$		506,578	$ 411,420	$ 411,420	$ 541,239	$ 393,927	$ 151,021	1.43
Plus: Add-Back Total of Large Adjustments Reducing Earnings of Eight Railroads (See Below)............................		230,565	230,565	230,565	2,066,991	2,073,766	2,073,766	
Total All Class I Freight RR's Excluding Large Adjustments of Eight Railroads.....		737,143	641,985	641,985	2,608,230	2,467,693	2,224,787	6.89
Large Adjustments Reducing Earnings of Eight Railroads:								
Railroad	Quarter Recorded							
Atchison, Topeka Santa Fe.	(3rd Quarter-92)	204,400	204,400	204,400	204,400	204,400	204,400	
Soo Line................	(3rd Quarter-92)	26,165	26,165	26,165	26,165	26,165	26,165	
CSX Transportation.......	(2nd Quarter-92)	-	-	-	427,000	427,000	427,000	
Consolidated Rail........	(4th Quarter-91)	-	-	-	447,000	447,000	447,000	
CSX Transportation.......	(4th Quarter-91)	-	-	-	409,175	409,175	409,175	
Norfolk Southern.........	(4th Quarter-91)	-	-	-	303,000	303,000	303,000	
Chicago & Northwestern...	(4th Quarter-91)	-	-	-	64,451	71,226	71,226	
Denver & Rio Grande......	(4th Quarter-91)	-	-	-	7,800	7,800	7,800	
Southern Pacific.........	(4th Quarter-91)	-	-	-	178,000	178,000	178,000	
TOTAL		230,565	230,565	230,565	2,066,991	2,073,766	2,073,766	

Sheet 7 of 9

	QUARTER ENDED SEPTEMBER 30, 1991			TWELVE MONTHS ENDED SEPTEMBER 30, 1991			
	Net Railway Operating Income	Income Before Extra-Ordinary Items	Net Income	Net Railway Operating Income	Income Before Extra-Ordinary Items	Net Income	Return on Net Investment
Total All Class I Freight Railroads (Per Summary on Page 1)...............	$ 254,943	$ 147,594	$ 147,594	$1,285,607	$1,162,027	$ 1,155,987	3.47
Plus:Add-Back Large Adjustments Reducing Earnings of Three Railroads (See Below)...........................	492,000	492,000	492,000	954,900	954,900	954,900	
Total All Class I Freight RR's Excluding Large Adjustments of Three Railroads....	746,943	639,594	639,594	2,240,507	2,116,927	2,110,887	6.06

Large Adjustments Reducing Earnings of Three Railroads:

Railroad	Quarter Recorded						
Burlington Northern......	(2nd Quarter-91)	-	-	-	442,000	442,000	442,000
Grand Trunk Western......	(2nd Quarter-91)	-	-	-	20,900	20,900	20,000
Union Pacific............	(3rd Quarter-91)	492,000	492,000	492,000	492,000	492,000	492,000
TOTAL		492,000	492,000	492,000	954,900	954,900	954,900

The schedule below shows for each of the affected railroads net railway operating income and return on net investment, excluding these large adjustments.

		QUARTER ENDED SEPTEMBER 30	TWELVE MONTHS ENDED SEPTEMBER 30	
		Net Railway Operating Income	Net Railway Operating Income	Return On Net Investment
Atchison, Topeka & Santa Fe.....	1992	60,575	201,452	5.76
	1991	56,658	157,005	4.52
Burlington Northern.............	1992	97,049	356,119	8.90
	1991	113,780	302,735	8.04
Chicago & North Western.........	1992	32,203	114,200	9.65
	1991	36,581	83,965	7.66
Consolidated Rail Corp..........	1992	95,828	333,370	6.18
	1991	97,454	310,232	5.48
CSX Transportation..............	1992	81,421	296,819	4.39
	1991	85,140	339,923	5.30
Denver & Rio Grande.............	1992	1,643	14,843	3.74
	1991	6,112	22,372	5.65
Grand Trunk Western.............	1992	(1,544)	(5,450)	-0-
	1991	(3,266)	(25,652)	-0-
Norfolk Southern................	1992	149,280	593,302	11.15
	1991	152,618	500,057	9.88
Soo Line........................	1992	5,627	22,558	3.37
	1991	10,329	27,526	4.18
Southern Pacific................	1992	6,362	(84,112)	-0-
	1991	(596)	(179,053)	-0-
Union Pacific...................	1992	172,547	608,308	10.34
	1991	155,888	551,587	9.70

f./ Return on investment for Chicago and North Western does not include the results of operations and net investment base of Western Railroad Properties, Inc. (WRPI), the western coal hauling subsidiary of the CNW System. WRPI's operating results are included in the calculation of revenue adequacy for CNW and materially increases the latter's stated net railway operating income. WRPI, a coal hauling subsidiary of the Chicago and North Western, was classified as a Class I railroad effective January 1, 1990. Effective January 1, 1992, WRPI was no longer classified as a Class I railroad, because the Commission, by order served June 17, 1992, increased the revenue threshold for a Class I railroad to annual operating revenues of $250 million (in terms of 1991 dollars) over three consecutive years.

g./ Amounts shown above for the Southern Pacific Transportation Company reflect the combined data of Southern Pacific Transportation Company and its Class I railroad subsidiary, St. Louis Southwestern Railway Company.

h./ The large differences between Southern Pacific Transportation Company's net railway operating loss and ordinary income (loss) during the twelve months ending September 30, 1992 and September 30, 1991, are attributable to substantial gains from property sales.

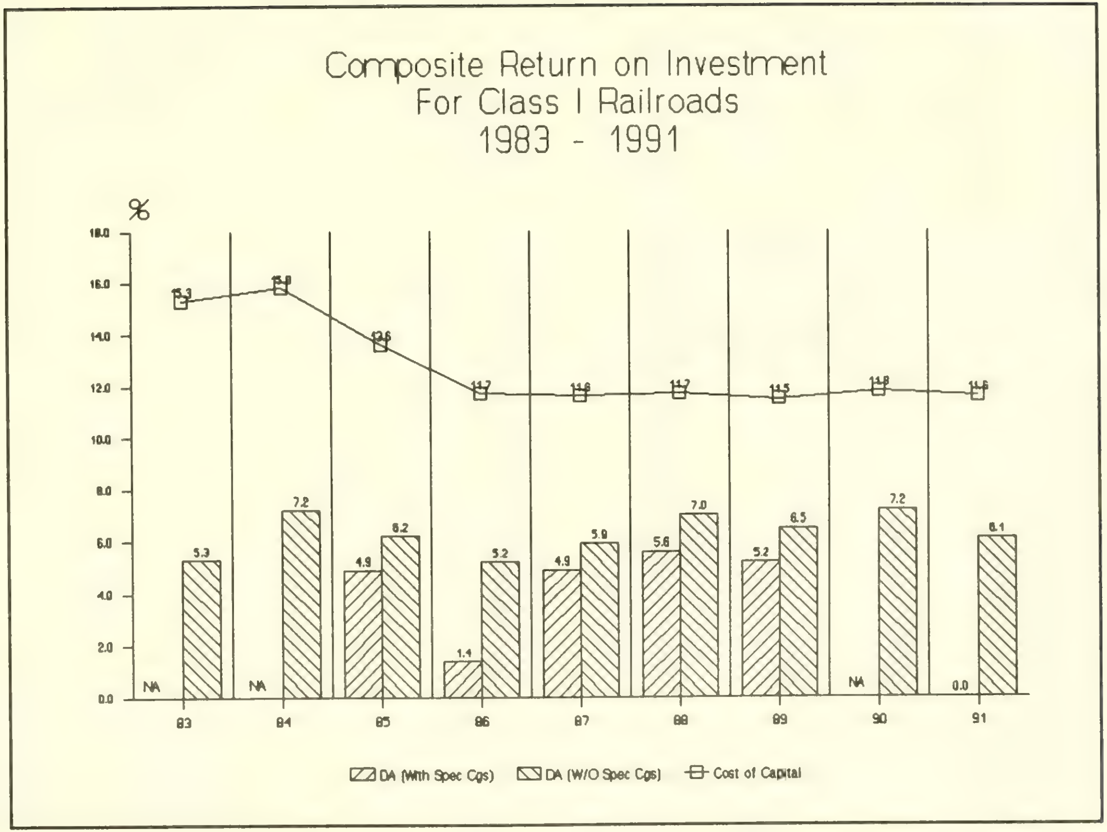
RAILROAD INVESTMENT DATA

Mr. Carr. Please also update for the record the bar chart on page 201 of last year's hearing record depicting the composite return on investment for Class I railroads.

[The information follows:]

The bar chart shows the composite return on net investment (ROI) and the Commission's revenue adequacy standard (cost of capital rate) for Class I railroads for each of the years 1983 through 1991.

Figures are shown with and without the inclusion of one-time special charges (i.e., charges for severance pay due to early retirements, charges for equipment write-downs, etc.) These special charges significantly reduce ROI's.



Composite Return on Investment
For Class I Railroads
1983 - 1991

RAILROAD INCOME TAXES

Mr. CARR. Please update for the record the data on railroad income taxes on page 204 of last year's hearing record.

[The information follows:]

The following chart identifies those Class I railroads which did not pay any Federal Income Taxes in 1991.

CLASS I RAILROADS NOT PAYING INCOME TAXES FOR 1991

[In thousands of dollars]

Railroad	Income before extraordinary items	Provision for deferred taxes	Federal income taxes	Total railway operating revenues
Chicago & North Western	(100,437)	(47,426)	(1,100)	803,033
Conrail	(358,607)	(28,414)	(123,649)	3,136,548
Grand Trunk Western	(46,610)	(1,803)	(3,278)	270,436

Note: Amounts in brackets indicate losses or negative tax expense. Negative or zero income tax paid can result from one or more of the following: net loss from operations, accelerated depreciation for tax purposes, and tax loss carry forwards. Negative income tax expense can represent refunds due from the Internal Revenue Service or the amounts due from affiliated companies in connection with tax allocation agreements pertaining to the filing of consolidated income tax returns.

Source: Annual Report from R-1's for 1991.

RAILROAD COAL PRICE AND RATE DATA

Mr. CARR. Please update for the record the coal price and rate data found on pages 206 through 209 of last year's hearing record.

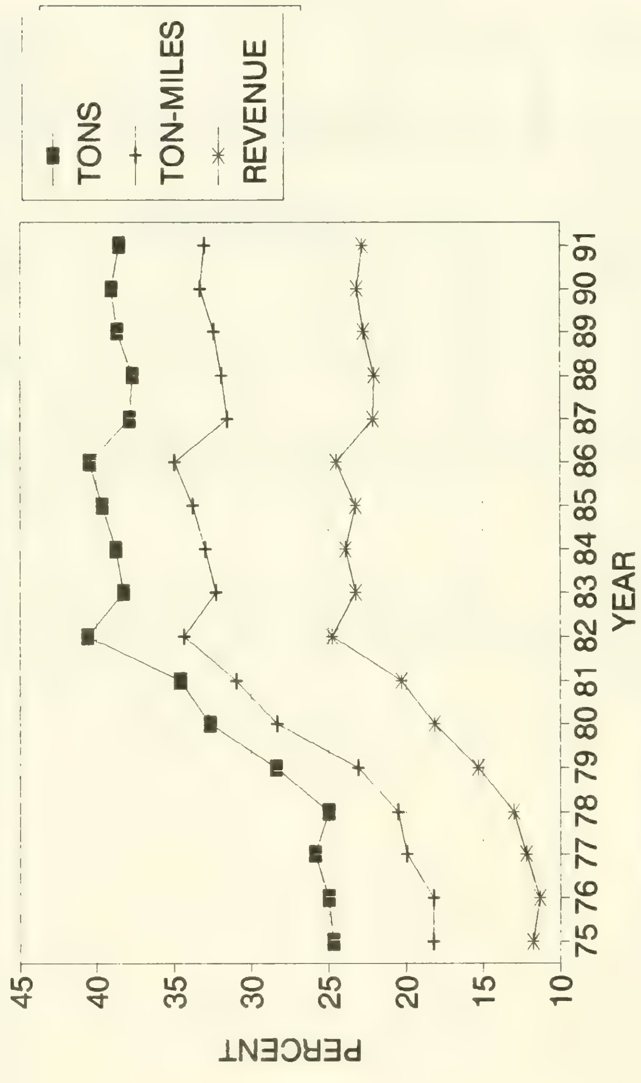
[The information follows:]

COMPARISON OF ALL RAIL TRAFFIC AND COAL TRAFFIC

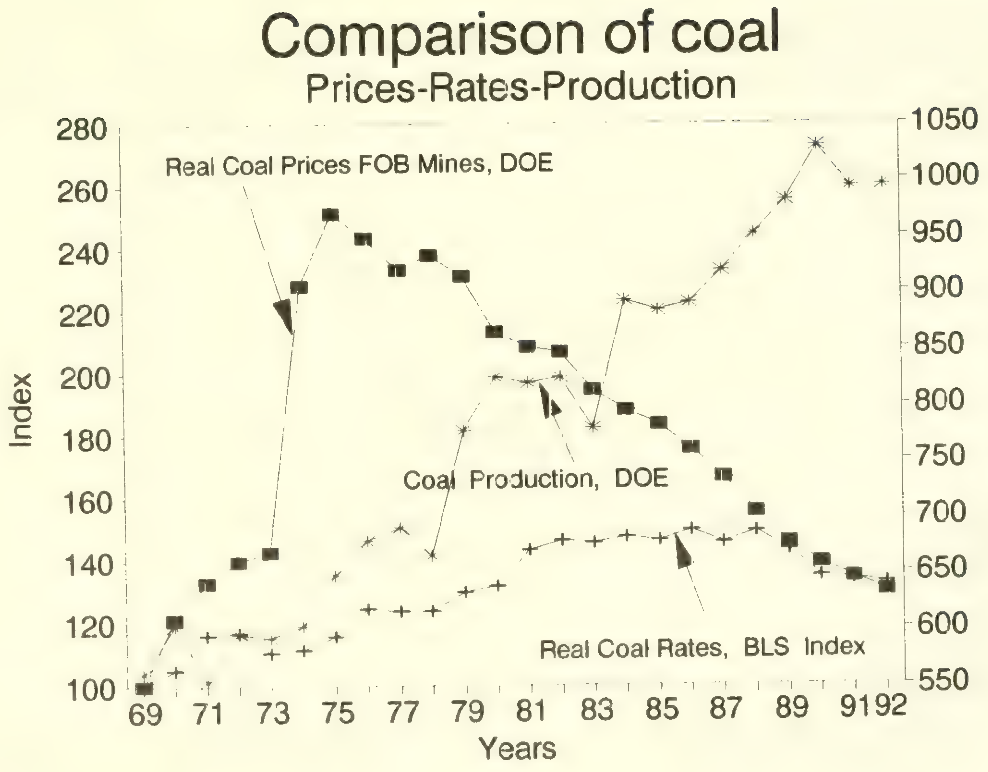
	All Rail Traffic (in billions)			Coal Traffic (in billions)			Percent Coal of All Traffic		
YEAR	TONS	TON MILES	REVENUE	TONS	TON MILES	REVENUE	TONS	TON MILES	REVENUE
1991	1.581	1008.5	$31.1	.6091	333.0	$7.092	38.5	33.0	22.8
1990	1.672	1030.2	31.6	.6538	343.6	7.327	39.1	33.4	23.2
1989	1.653	1010.0	31.2	.6400	327.4	7.077	38.7	32.4	22.7
1988	1.654	996.7	31.1	.6228	318.1	6.857	37.7	31.9	22.1
1987	1.561	925.0	28.9	.5920	291.6	6.382	37.9	31.5	22.1
1986	1.441	821.2	26.2	.5830	286.6	6.413	40.4	34.9	24.5
1985	1.454	847.7	28.8	.5770	286.2	6.697	38.7	33.8	23.3
1984	1.444	805.2	27.8	.5596	265.1	6.639	38.8	32.9	23.9
1983	1.291	728.8	24.6	.4940	235.2	5.730	38.3	32.3	23.3
1982	1.257	705.7	24.2	.5103	242.3	5.988	40.6	34.3	24.8
1981	1.362	673.8	25.5	.4705	208.6	5.165	34.5	31.0	20.3
1980	1.406	677.3	23.0	.4588	191.7	4.176	32.6	28.3	18.2
1979	1.411	673.3	21.1	.4006	155.3	3.218	28.4	23.1	15.3
1978	1.317	623.4	17.9	.3287	127.9	2.315	25.0	20.5	13.0
1977	1.256	569.2	16.0	.3249	113.5	1.945	25.9	20.0	12.2
1976	1.263	552.6	14.8	.3158	100.5	1.665	25.0	18.2	11.3

SOURCE: Information is generated from the Waybill Sample, which is a sample of all rail shipments terminated in the U.S. (Canadian and Mexican origins were omitted through 1983). The 1976 through 1981 Waybill Samples were processed by the Federal Railroad Administration. The 1982 Waybill Sample was processed jointly by the Federal Railroad Administration and the Interstate Commerce Commission. The 1983 through 1991 Waybill Samples were processed by the Interstate Commerce Commission.

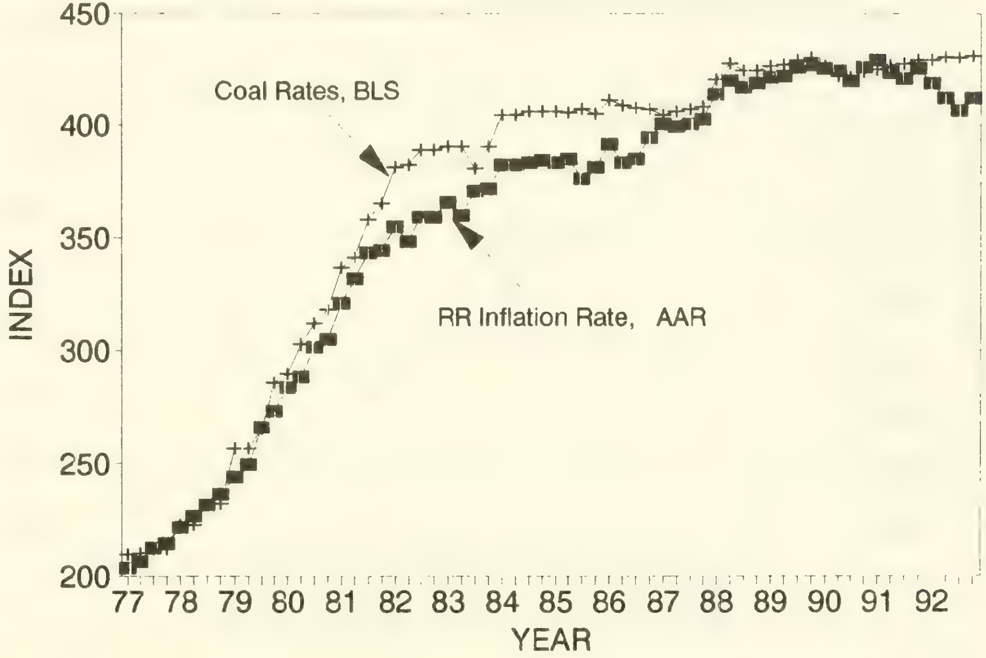
Coal Traffic as Percent of Total Rail Traffic



Source: ICC Waybill Sample


Comparison of coal
Prices-Rates-Production
Real Coal Prices FOB Mines, DOE
Coal Production, DOE
Real Coal Rates, BLS Index
Index
280
260
240
220
200
180
160
140
120
100
Millions of Tons
1050
1000
950
900
850
800
750
700
650
600
550
69
71
73
75
77
79
81
83
85
87
89
9192
Years

INDEXES OF ALL RAILROAD
COAL RATES AND RAILROAD INFLATION RATES



RAILROAD ABANDONMENTS

Mr. **Carr**. For the record, update the table which appears on page 212 of last year's hearing record regarding: number of abandonment applications received and corresponding mileage; number of abandonment applications granted and corresponding mileage; number of trails conversion applications received and corresponding mileage; and number of trails conversion applications granted and corresponding mileage.

[The information follows:]

	Fiscal Year 1987		Fiscal Year 1988		Fiscal Year 1989		Fiscal Year 1990		Fiscal Year 1991		Fiscal Year 1992	
	Cases	Miles	Cases	Miles	Cases	Miles	Cases	Miles	Cases	Miles	Cases	Miles
1. ABANDONMENTS												
Applications Filed	60	1,208	50	1,470	35	809	18	505	9	181	18	700
Granted	60	818	47	1,293	35	699	15	256	12	386	15	701
Exemption Petitions Filed	73	817	46	737	50	616	37	907	44	944	43	753
Granted	88	976	43	807	42	587	31	690	42	826	37	657
Exemption Notices Filed	50	476	84	1,183	113	1,084	88	750	69	634	56	398
Granted	27	138	71	897	103	946	88	661	67	671	52	367
Total Filed	183	2,501	180	3,390	198	2,509	143	2,162	122	1,759	117	1,851
Total Granted	175	1,932	161	2,997	180	2,232	134	1,607	121	1,883	104	1,725
2. TRAIL REQUESTS												
Filed	18*	499	20	657	22	686	19	271	21	484	22	896
Granted	6*	264	11	425	15	457	16	229	12	301	18	465

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*This information reflects contested trail use requests only. Statistics for uncontested grants are unavailable for Fiscal Year 1987.

RAIL WAYBILL SAMPLE COSTS

Mr. Carr. What is budgeted for the ICC's share of the costs of the Rail Waybill Sample in fiscal year 1994?

[The information follows:]

The Commission has estimated its share of the Rail Waybill Sample contract in fiscal year 1994 to be $190,000. The existing contract was awarded in January 1989 for the processing of the waybill sample for calender years 1989–1993. Since this contract is up for rebidding in FY 1993, the estimated cost in FY 1994 is based on an increase of 5 percent over the FY 1993 cost, consistent with escalation provisions in past contracts.

Mr. Carr. What is the total amount required for the contract?

[The information follows:]

The total amount of the Rail Waybill Sample contract for FY 1992 was $344,922. The FY 1993 cost is $362,168, and the FY 1994 cost is estimated to be $380,00.

Mr. Carr. What was the ICC's share of the contract costs in 1992 and 1993?

[The information follows:]

The Commission is responsible for 50 percent of the Rail Waybill Sample contract each fiscal year. In fiscal year 1992, the Commission's share was $172,461, and, in fiscal year 1993, the total will be $181,084.

Mr. Carr. The existing contract is scheduled to be rebid and awarded during fiscal year 1993.

Has the contract been awarded?

If not, when do you anticipate that the award will be made?

[The information follows:]

The current waybill processing contract covers all 1993 calendar year waybills. The contract now being advertised ("Commerce Business Daily", March 19, 1993) will be for 1994 calendar year waybills, and may include four option years. We expect to award the new waybill processing contract in October 1993.

RAIL SURCHARGES/JOINT RATE CANCELLATIONS REPORT

Mr. Carr. The ICC is mandated to prepare an annual report to Congress on rail surcharges and joint rate cancellations. The budget request includes $12,000 for a contractor to prepare this report.

Why does it cost so much for report preparation?

[The information follows:]

The report requires daily monitoring of all rail tariffs being filed at the Commission. Much of the contract cost derives from examining the tariffs for the presence of surcharges or joint rate cancellations, often not identified on the title page, then recording details as to origin/destination, commodities, and rail carriers involved.

Mr. Carr. Why can't this report be prepared in-house?

[The information follows:]

For the first several years, beginning with FY 1981, all work on the joint rate surcharge and cancellation reporting was done by Commission staff. There was intense interest as well as uncertainty as to how the new Staggers Rail Act provisions would work and what form actions by carriers would take. This was a major project, involving considerable staff time of economists, tariff specialists, and clerks. Utilizing the ICC waybill sample, the staff attempted as fully as possible to meet the informational requirements of the Act as to revenue and economic impact of the new provisions. At the time, most surcharge tariffs were clearly identified as such on the cover page. While cancellations were not so marked, nearly all cancellations appeared to be challenged before the Commission and thus could be identified as Suspension Board actions.

In time, however, developments made it necessary to shift to contract work. A smaller portion of the cancellations were coming up before the Suspension Board, making that source unreliable as a measure of cancellation activity. Only an examination of all rail tariffs being filed could yield a reasonably accurate count of cancellation activity. During this time, the tariff processing staff at the ICC suffered a severe reduction, to the extent that almost all activity of that staff went to filing tariffs and hardly any into examining the filings. As a result of these cuts, tariff specialists were no longer able to provide assistance on this project. It became evident that the only feasible approach to complying with even the most basic of the statutory information requirements was to hire a tariff watching service, where the cost of examining rail tariffs comprehensively on a daily basis could be shared with others.

Mr. CARR. What would be the substantive impact of a biennial, rather than annual report?

[The information follows:]

Reporting joint rate surcharges and cancellations on a biennial rather than annual basis would not significantly reduce costs, inasmuch as all incoming rail tariffs would still need to be examined on an ongoing basis.

Mr. CARR. What is the usefulness of the data included in the report?

How is it used and who are the users?

[The information follows:]

The Commission does not know who may be using it or for what purpose. The reports were of far greater interest immediately following enactment of the Staggers Act because of concern then that the new provisions might be abused by the railroads or lead to dislocation of shipper groups or smaller railroads, as long held rate relationships were disrupted. However, after the first few years, it became obvious that no such ill effects had surfaced in any significant way. Furthermore, estimates of the revenue effect of surcharges were not probative because a high surcharge was more likely to halt the movement to which it applied than to generate greater revenues. Also, carriers were unilaterally canceling joint-rates that were obsolete (e.g., already supplanted by new rate structures) and not indicative of an existing problem, such as a carrier's being locked into divisions producing a cash drain. Thus, counts of joint-rate cancellations or year-to-year comparisons were and are not especially meaningful.

ECONOMIC STUDIES

Mr. CARR. The justifications indicate that five economic studies will be conducted in fiscal year 1994.

What studies are planned for next year?

[The information follows:]

Three specific studies have been committed for next year: monitoring the impact of the merger of the Wisconsin Central Railroad with the Fox River Valley and the Green Bay and Western Railroads, which is required by the Commission's decision approving the merger; the trucking chapter for the Department of Commerce annual publication, *The U.S. Industrial Outlook;* and an annual update of our rail rate index.

The Office of Economics expects also to measure the potential scope of Commission involvement in rail maximum reasonableness regulation and to initiate a broad-based assessment of the impacts of the Staggers Rail Act. These projects may be replaced by studies that are keyed to specific concerns and regulatory issues that can arise at the Commission unexpectedly. For example, while not contemplated a year ago, the Office recently began work on a multifaceted and detailed study of the intercity bus industry that will address concerns over ongoing events in that industry. And it recently completed an assessment of motor carrier service to small communities in response to concerns raised by members of the Commission.

ECONOMICS' WORKLOAD DISCONTINUANCE

Mr. CARR. Please provide for the record a discussion of the impact and estimate of savings that would result in 1994 from: discontinuation of annual audits of transactions between railroads and their affiliated companies; annual, rather than quarterly, compilation of motor carrier financial data; and discontinuation of motor carrier fuel price monitoring.

[The information follows:]

Together these programs require approximately two FTEs each year for a staffing cost of approximately $129,000. Railroad intercompany audits assist our monitoring efforts to keep abreast of individual carrier and overall industry financial developments. Eliminating these audits would hinder our ability to stay fully informed.

The Commission has compiled the motor carrier financial data on an annual and quarterly basis. The annual data is, and will continue to be, compiled and published for all Class I motor carriers. The quarterly compilations of motor carriers' data are limited to selected financial data for 100 of the largest carriers. The results are issued as a press release recapping individual carrier operating performance and industry totals. The quarterly compilation of the data allows the Commission to remain more current on the financial condition of these carriers and the industry.

The fuel monitoring program tracks diesel fuel prices weekly. It has provided valuable data to the Commission in times of rapidly changing fuel prices. Further, the program, which provides a benchmark indication of nationwide changes in fuel prices week-to-week, has received broad based support from the industry. The measured changes are frequently relied on by the industry in setting owner operator compensation formulas and in the development of independent and collective rate actions to recover cost increases during periods of inflation in fuel prices.

PUBLIC ASSISTANCE WORKLOAD

Mr. **Carr**. What type of public assistance is provided by the Office of Economics and how does that differ from public inquiries handed by the Office of Public Assistance and the Office of External Affairs?

[The information follows:]

The Office of Economics provides several types of public assistance most of which is technical in nature. For example, the Section of Energy and Environment (SEE) responds to public inquiries dealing with interpretations of the Commission's environmental rules and procedures. In some cases, SEE holds public meetings to obtain information on controversial issues of general public interest. The Section of Rail Services Planning interacts with various groups such as the general public, shippers, communities, and State Departments of Transportation. Information provided to these entities concerns shortline railroad, abandonments, the Rail System Diagram Map, and contract rates. Finally, the Section of Research and Analysis provides technical information regarding the economics of the rail and trucking industry; sources of data for private sector research; answers to reporters' questions on various aspects of the transportation industry; and response to requests for past Commission reports or studies. Upon request, the Office of Economics also assists the Office of Public Assistance and the Office of External Affairs in formulating responses to public requests for information.

Mr. **Carr**. How many staff-years are required to handle public assistance activities in the Office of Economics?

[The information follows:]

Staff-years allocated to public assistance activities were 0.7 for FY 1993 and FY 1994. This activity has been relatively constant over the past two fiscal years. The staff handles approximately 380 inquiries related to rail matters and 100 requests from motor carriers.

ECONOMICS' TRAVEL

Mr. **Carr**. Why did travel costs increase by 75 percent from 1992 to 1993, even though your FTE staffing level remained unchanged?

[The information follows:]

The travel increase in 1993 is due solely to a potential need for site visits as part of the environmental reviews related to rail construction cases. During 1992, only a few trips for this activity were needed. However, in FY 1993, the Office has 20 construction cases under active environmental review and another 24 cases at the initial, or inquiry, stage which may develop into more active cases. This is a much higher number of cases than ever before, and it is expected that more site visits will be necessary in FY 1993 and FY 1994.

ECONOMICS' TRAVEL AND OTHER EXPENSES

Mr. CARR. Please provide for the record a breakdown of other expenses for the Office of Economics similar to that shown on page 249 of last year's hearing record for fiscal years 1991 through 1994.

[The information follows:]

OFFICE OF ECONOMICS

[In thousands of dollars]

Other expenses	Fiscal year—			
	1991	1992	1993	1994
Travel	$56	$45	$70	$70
Other expenses:				
Transportation of things	2	1	1	3
Rental payments to GSA	612	632	670	686
Communications and utilities	154	148	171	169
Printing and reproduction	38	40	40	40
Other services	123	147	143	[1]157
Supplies and materials	45	52	47	47
Furniture and equipment	37	53	26	27
Total—other expenses	1,011	1,073	1,098	1,129

[1] Excludes program contracts which are a separate budget item.

TARIFF FEE COLLECTION STAFFING

Mr. CARR. For the record, please state the number of staff-years estimated for tariff fee collection and administration for each of Fiscal Years 1989 through 1994, by organizational component.

[The information follows:]

Tariff fee collection, tariff account maintenance, and fee collection and deposit administration have been performed by 3 organizational components within the Commission. The Inspector General's audit of the Tariff Fee Billing and Collection process recommended actions to strengthen the internal controls of the process and to bring the tariff fee collection and deposit activities into compliance with Treasury and GAO fiscal regulations.

The following table details the staff-years devoted to this activity for Fiscal Years 1989 through 1993 and projects the FY 1994 staff-year requirements for the new process.

STAFF-YEARS ESTIMATED FOR TARIFF FEE COLLECTION AND ADMINISTRATION

	Office of Tariffs	Office of the Secretary	Budget and Fiscal Office
FY 1989	1.0	.75	.13
FY 1990	1.0	.75	.13
FY 1991	1.0	.75	.13
FY 1992	1.0	.75	.13
FY 1993	2.0	.00	1.00
FY 1994	2.0	.00	1.00

TARIFF FILING ENFORCEMENT

Mr. CARR. Your fiscal year 1994 request for the Office of Tariffs includes a reduction of 2 FTes from the 1993 enacted level.

How will this reduction impact Congressional directed efforts to better enforce tariff filings?

[The information follows:]

The staff reduction will not affect tariff monitoring and examination efforts because other units in the Office will absorb the reduction.

Mr. CARR. Your tariff enforcement efforts are targeted toward newly filed tariffs.

What is your projected workload in fiscal year 1994 and what proportion of these filings will you be able to review for compliance with ICC regulations and the statute?

[The information follows:]

We anticipate receiving 1.5 million tariff publications in FY 1994. We plan an "in-depth" examination of 113,300 publications, approximately 8 percent of receipts, through a random sampling procedure. Also, we will continue to respond to public complaints about specific tariff provisions and examine such tariffs in the same manner.

IMPACT ON TARIFF FILING DUE TO ENERGY TAX

Mr. CARR. Please explain the projected impact, if any, of the proposed energy tax on motor carrier tariff filings.

[The information follows:]

Based on our experience during past fuel shortages, we anticipate a temporary surge in the number of tariffs filed in the event of an energy tax. Unless fuel prices become highly volatile and change frequently, an energy tax tariff surge should not be a major problem.

OPTICAL IMAGING OF TARIFFS

Mr. CARR. How much headquarters space will be saved in fiscal years 1993 and 1994 due to implementation of the optical imaging of tariff documents?

[The information follows:]

We expect to have optical imaging of the tariff library operational in FY 1994. If tariff receipts continue as projected, we do not anticipate space savings before FY 1995. The volume of tariff receipts and the existing tariff file will require imaging through FY 1994 and, possibly, early FY 1995.

The VOLPE Program Development Plan contains a 135 week transition schedule from Phase I, Project Planning, to Phase IV, Project Operations. The plan estimates the saving of thousands of square feet as multiple platter disks (jukeboxes) will be used for storage of documents. Multiple platter disks can store the equivalent of an entire library in the space of tens of square feet as compared to the thousands of square feet required for current storage methods.

SUSPENSION/SPECIAL PERMISSION BOARD WORKLOAD

Mr. CARR. Why are Suspension/Special Permission Board activities expected to increase in 1993 and 1994?

[The information follows:]

There are two primary reasons. In Ex Parte No. 387 (Sub-No. 963), *Railroad Transportation Contracts,* the Commission gave the Suspension/Special Permission Board authority to re-instate expired railroad transportation contracts upon written request and proper justification. Such contract re-instatement requests are now being filed and are likely to continue through FY 1994. In Ex Parte No. MC-212, *Review of Motor Tariff Regulations—1993,* now under consideration by the Commission, carriers are on notice that the agency will increase its tariff compliance and enforcement efforts. This is likely to increase the number of special tariff authority applications as carriers develop new processes to price and market services in conformance with the tariff regulations.

TARIFFS' TRAVEL AND OTHER EXPENSES

Mr. CARR. Please provide for the record a breakdown of "other expenses" for the Office of Tariffs similar to that shown on page 249 of last year's hearing record for fiscal years 1991 through 1994, and also justify why funding of this item should more than double in fiscal year 1994.

[The information follows:]

The Commission is currently involved in the study and implementation of optical imaging of tariff filings and other pricing documents for the Office of Tariffs. The projected associated costs of implementing the optical imaging system are allocated against the Office of Tariffs, and have more than doubled the Office's projected expenses from the FY 1992 actuals.

OFFICE OF TARIFFS

[In thousands of dollars]

Other expenses	Fiscal year—			
	1991	1992	1993	1994
Travel	$0	$0	$1	$1
Other expenses:				
Transportation of things	1	1	1	2
Rental payments to GSA	423	430	487	499
Communications and utilities	108	110	148	147
Printing and reproduction	26	30	34	35
Other services	71	90	102	[1] 115
Supplies and materials	31	38	40	41
Furniture and equipment	26	39	21	[2] 1,024
Total—other expenses	686	738	833	1,863

[1] Excludes program contracts which are a separate budget item.

[2] Includes $1 million for optical scanning equipment.

BUS INDUSTRY SERVICE MONITORING

Mr. CARR. What are you accomplishing with the special monitoring project on intercity bus passenger service?

[The information follows:]

The principal benefit that flows from this activity is the presence of Commission staff at terminals and aboard buses without advance notice to the carriers. These undisclosed visits by the Commission staff have a deterrent effect on carriers by encouraging them to comply with the Adequacy of Service Regulations. This is apparent from a comparison of the second-year results of this program with the first-year results. Overall, there was a 13 percent increase in bus terminal inspections and a 6 percent increase of on-board bus inspections where no violations of the regulations were reported. The bus industry has responded favorably to our enhanced monitoring by timely correcting deficiencies which we identify and by achieving a high level of voluntary compliance with our regulations.

Mr. CARR. How many staff-years are devoted to this activity?

[The information follows:]

Bus terminal inspections and on-board bus surveys are not time-intensive activities. The actual time devoted to these functions, including the preparation of composite reports by the team leader assigned to the project and the handling of discrepancies noted with carrier officials, does not exceed one staff-year.

EMERGENCY PREPAREDNESS PROGRAM ACTIVITIES

Mr. CARR. The justifications indicate that the Office of Compliance and Consumer Assistance participated with other Federal agencies in emergency preparedness program activities related to the national defense and natural disasters.

What are the ICC's responsibilities with regard to emergency preparedness?

[The information follows:]

The Commission participates in a number of emergency preparedness programs, generally as a support agency under the leadership of the U.S. Department of Transportation. These programs include: Continuity of Government; Federal Response Plan; and Contingency Response (Department of Defense/Military Traffic Management Command).

The Commission has authority at 49 U.S.C. 11128 to direct preference and priority in rail transportation during national emergencies. The Commission can augment its staff in a national emergency through the utilization of cadre of voluntary private sector transportation experts that are ICC members of the National Defense Executive Reserve.

Commission personnel were active in meeting the emergency transportation needs resulting from the destruction caused by Hurricane Andrew in August 1992 and by the Loma Prieta earthquake in October 1989. Our staff participated at the national level in the FEMA control center and at the regional level where they had leadership roles in responding to these emergencies.

ENFORCEMENT ACTIVITIES

Mr. CARR. How do you allocate enforcement resources and ensure they are targeted to high priority activities?

[The information follows:]

On October 9, 1991, in Docket No. CU-4, *Revision of the Commission's Enforcement Policy Statement,* the Commission modified, in part, its 1984 Enforcement Policy to respond to criticism that the allocation of tariff enforcement to a lower-priority category contributed to the undercharge problem. In this regard, the guidelines were modified to make it clear that the Commission was committed to addressing the compliance issues of today's transportation environment, including enforcing statutory tariff filing requirements. In addition, to meet the varied and changing challenges posed by a dynamic transportation system, the Commission determined that its Enforcement Policy had to be made more flexible and items listed in the lower-emphasis group required re-evaluation. For example, as a result of *Maslin*, the failure of carriers to observe their tariffs became a matter of importance and concern. Accordingly, the Commission adopted a flexible policy which allocates enforcement resources "toward the most severe violations which have the greatest negative impact" (Docket No. CU-4, *Revision of the Commissions Enforcement Policy Statement* (not printed), decided October 9, 1991, at 4), on the transportation industry and those who rely upon it for service. The enforcement policy statement follows.

interstate commerce commission
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ICC ANNOUNCES NEW ENFORCEMENT POLICY

Interstate Commerce Commission Chairman Edward J. Philbin today announced the details of a new enforcement policy giving the Commission's Office of Compliance and Consumer Assistance (OCCA) greater discretion in the allocation of its resources to enforcement of ICC rules and regulations.

Under the new policy, approved by a majority of the Commission, the OCCA will allocate its enforcement resources to those areas where there will be a reasonable anticipation of public benefit and need, and the number and nature of the complaints the OCCA receives from the public will be viewed as one indicator of that need.

Moreover, the OCCA has been directed to allocate sufficient resources to serious violations -- including tariff-related infractions -- having the greatest negative impact on the transportation industry and upon those who rely upon it for transporting freight and passengers.

The new policy is designed to give the OCCA flexibility in

--MORE--

the effective use of Commission resources to further the agency's overall policy goals and those of the National Transportation Policy for the benefit of the public.

In the past, the Commission designated certain violations as "high" or "low" priority relative to enforcement action. Those categories were found to be too restrictive, however, to enable the OCCA to shift resources to meet changing circumstances.

In announcing the new enforcement policy, Chairman Philbin emphasized that, regardless of the prior enforcement emphasis placed upon particular violations, no infraction will be ignored under the new policy so long as circumstances warrant Commission attention.

The Commission's policy statement was issued in Docket No. CU-4, Revision of the Commission's Enforcement Policy Statement. Vice Chairman Edward M. Emmett dissented in a separate statement.

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NOTE TO EDITORS:
- Enforcement Policy Statement attached
- Vice Chairman Emmett's separate statement attached

INTERSTATE COMMERCE COMMISSION

ENFORCEMENT POLICY

October 9, 1991

MEMORANDUM FROM THE COMMISSION TO THE OFFICE OF COMPLIANCE AND CONSUMER ASSISTANCE - ENFORCEMENT STAFF:

ENFORCEMENT GUIDELINES AND DIRECTIONS

The goal of the ICC enforcement policy and program is to provide guidance to the Office of Compliance and Consumer Assistance (OCCA) in using Commission resources effectively to further the Agency's goals and to advance the National Transportation Policy (NTP) for all modes of surface transportation. The program encourages and relies on marketplace solutions rather than Federal intervention.

In 1984, the Commission formally provided guidance to OCCA on the use of its resources to establish a Commission Enforcement Policy consistent with the NTP. Several categories of violations were identified as matters for full-scale enforcement action. The categories include kickbacks, threats of force in loading and unloading, consumer fraud, and willful fraudulent misrepresentation. Also included were matters involving restraints on competition, safety violations and insurance. These violations were identified in the 1982 Senate and House Appropriations Committee reports as "more serious". The full list reads as follows:

Enforcement Categories in High Emphasis Group:

(In alphabetical order)

Anti-trust
Ethics
Fitness/Safety
Household Goods
Illegal Lumping
Insurance
Kickbacks
Overcharges/Duplicate Payments/C.O.D.
Owner Operator Problems
Unauthorized Passenger Carrier Operations
Weight Bumping

The following enforcement categories were designated to receive less emphasis:

- Acquisitions/Unapproved Mergers
- Concessions and Rebates
- Tariff Departures
- Directed Service
- Fitness (other than safety)
- ICC Orders/Decisions
- Misappropriation of Carrier Assets
- Record Maintenance
- Unauthorized Operations (other than passenger)

Under the Commission's policy, OCCA's complaint experience is one indicator of public need. Other indicators include alleged non-compliance discovered in the staff's compliance monitoring functions and investigative leads received from any source. The Commission's enforcement resources have been allocated in those high emphasis areas in which competition appeared to be lessened, where assistance was necessary to aid parties lacking the resources and leverage needed to achieve independently compliance with the Interstate Commerce Act and the Commission's regulations, or where action was needed to insure safe motor carrier operations and financial responsibility.

The 1984 policy guidelines have worked relatively well. Following the adoption of the 1984 policy statement, effectiveness indicators were established to provide an appraisal of the success of the enforcement actions pursued in the various categories. An analysis of the results of the enforcement actions show a low recidivist rate in the high emphasis areas. This is readily apparent in owner/operator abuse cases, violations of the household goods regulations, as well as the regulations dealing with duplicate payments and loss and damage claims. Since 1984, $3,146,434 in fines have been collected and the Commission assisted owner-operators and shippers respectively in the recovery of over $7.7 million dollars in settlements, overcharges and loss and damage claims. In the area of criminal violations, a number of significant felony cases, referred to the Department of Justice, were successfully prosecuted.

The guidelines have helped the Commission to meet changing conditions in the transportation industry. For example, insurance and consumer protection are, and always have been, high emphasis activities. Thus, when damage occurred to many small fleet motor carrier operators and insurers from illegal insurance scams the Commission stepped in. Similarly, the Commission has continued to investigate chronic problems in the auto driveaway business where there has been a shift from individual driver services to truckaway services with consolidated load deliveries to large parking storage lots often located far from business centers and local transportation facilities. Pickup and delivery problems have materialized. In addition, the development of broker activity in the auto driveaway industry on a large scale has necessitated numerous adjustments in past business practices and has resulted in a variety of shipper complaints to the Commission requiring different kinds of enforcement responses.

Other parts of the guidelines have not worked as well. Departure from the filed tariff has been treated as a rebate or concession which was excluded from the high emphasis enforcement list. However, in the partially deregulated and highly competitive environment of the 1980's, numerous carriers failed to file tariffs reflecting agreed to reduced rates. The subsequent bankruptcy of some of these carriers, and the ensuing efforts of zealous auditors to find any additional monies that might be collected on behalf of those carriers' estates resulted in a flood of civil actions to collect undercharges from shippers. The Commission's first attempt to deal with this problem (by declaring these carriers' actions an unreasonable practice that would bar collection of the filed rate) was rejected by the Supreme Court.

The widespread bombarding of shippers with undercharge claims has created instability and confusion. In light of this development, it is important that motor carriers and the shipping public continue to be sensitive to the requirement for common carriers to file their rates and adhere to them. Accordingly, tariff filing requirements are worthy of increased attention and cannot be relegated to a low emphasis category. OCCA will consider enforcement action where feasible against carriers who fail to assess and collect filed rates and shippers who knowingly receive such concessions and rebates. Factors to be taken into consideration include whether the number and size of the balance due bills would affect prosecutive merit, whether the nature of the tariff departures make pursuit of the violations appropriate, whether the carrier is in bankruptcy, whether there are pending related Commission proceedings, whether there is a willingness on the part of the carrier to discontinue the unlawful practice and make refunds and whether the enforcement action will be cost effective. The foregoing are merely guidelines which OCCA may follow.

Congress has recently enacted legislation which requires additional enforcement attention. Mexican carriers crossing the border must hold certificates of registration under statutory amendments that eliminated previous exemptions. Mexican carriers are prohibited from operating beyond border commercial zones. Detection of violators is resource intensive, and enforcement coordination with border states and other Federal agencies is essential. Other new laws have been passed in the safety area which has always been in the high emphasis category. Now, hazardous materials and passenger carriers are not permitted to operate if within 45 days after receiving an unsatisfactory safety rating from DOT they do not take corrective action and obtain a satisfactory or conditional rating. Our recently revised safety policy statement is an expression of cooperation and willingness to work closely with DOT. To achieve these objectives, DOT and the Commission staff will periodically meet to exchange information and develop new ideas relative to safety fitness policy. Other Congressional actions that require new or redirected enforcement efforts are likely to materialize in the future.

To meet the varied and changing challenges posed by a dynamic transportation system our enforcement policy must be more flexible. While the importance of the items listed in the 1984 high emphasis categories and Congressional concerns about those areas have not changed significantly, evolving industry practices and trends necessitate a reevaluation of those items listed in the low emphasis group. As a result of the Maislin case, for example, tariff departures have become a matter of some importance; and the potential harm to the carrier and its employees through misappropriation of carrier assets has been heightened. These are some of the changes within the industry which should affect the importance of the items set forth in the low emphasis category by the 1984 policy statement and invite a reevaluation of their importance in any determination affecting the allocation of resources. In other words, OCCA will review alleged violations of the Interstate Commerce Act, related Acts, and the Commission's regulations for potential compliance and enforcement action, mindful that the Commission's limited resources must be directed toward the most severe violations which have the greatest negative impact on the transportation industry and those who rely on it for moving freight and passengers.

COMMISSIONER EMMETT, dissenting:

The filed tariff doctrine places the burden of filing tariffs on carriers not on shippers. Therefore, I find it unreasonable to even mention in the Commission's enforcement policy that we will consider action against shippers that are victimized by carriers not complying with the law. Such unwarranted prosecution would be a major step back into regulation.

COMPLIANCE INVESTIGATIONS

Mr. CARR. What percent of compliance investigations in 1992 covered violation areas designated as high emphasis?

What is your estimate for fiscal year 1993 and fiscal year 1994?

[The information follows:]

The distinction between the higher- and lower-priority categories was eliminated by the Commission's 1991 Enforcement Policy Statement. Nevertheless, during FY 1992, 75.92 percent, or 309 out of 407, of the total investigative cases closed were in the prior higher-priority category. During the same period, 96.73 percent, or 2,101 out of 2,172, of the total litigative cases fell within the prior high-priority category. The above numbers do not include assignments that, despite their placement in the lower-priority category, were deemed to be of sufficient regulatory concern to warrant enforcement action. With respect to FY 1993, based upon available data regarding activity conducted between October 1, 1992, and March 31, 1993, of 240 investigative assignments closed, 185 or 77.08 percent were in the prior higher-priority category. For the same period, of 1,014 litigative cases closed, 965 or 95.17 percent were in the prior higher-priority category. For the remainder of FY 1993, we expect approximately 77 percent of the investigation cases and 95 percent of the litigation cases to be in the prior higher-priority category. We expect similar numbers to be achieved in FY 1994.

COMPLIANCE SURVEYS

Mr. CARR. You are projecting a slight drop in the number of compliance surveys in fiscal year 1994.

Since compliance surveys are the real teeth in your enforcement efforts, why do you plan to conduct fewer such surveys next year?

[The information follows:]

As the question acknowledges, the reduction of projected FY 1994 compliance survey accomplishments is slight; only 5 percent below FY 1993. The reason for the decline is that the FY 1994 budget request accommodates the 2.5 percent Government-wide reduction. We do not favor reducing any of the service-type functions that the field staff provides to the public. As the budget shows, we intend to maintain our FY 1994 investigation and litigation workload within the same levels we expect to accomplish in FY 1993. Consequently, the compliance survey function was considered the best place to absorb the slight reduction.

ENFORCEMENT WORKLOAD

Mr. CARR. A high percentage of your enforcement cases are closed by consent agreements.

What procedures do you use to follow up on these agreements to ensure meaningful enforcement?

[The information follows:]

If a consent agreement is obtained due to insurance cancellation, an initial follow-up is conducted by OCCA's field staff by reviewing the carrier's file in the ICC-computerized insurance system to determine whether the carrier has in effect and on file the required security instruments. If the carrier does not have insurance coverage, the process of revoking that carrier's operating authority begins. An investigation is scheduled to determine if the carrier is in violation of the consent agreement and, if so, an injunction is sought in Federal court to stop the violation.

If the consent agreement involves other types of violations, such as the failure to properly handle loss-and-damage claims or duplicate payments, the carrier is scheduled for a follow-up compliance review within 90 days. A computer program assists in coordinating the scheduling of such follow-up activity. If the carrier is found to have violated the consent agreement, further enforcement action is taken. The follow-up enforcement action will invariably involve an enforcement remedy other than a consent agreement, such as civil penalties or an injunction.

Mr. Carr. Most of your enforcement work seems to be complaint-driven.

What actions are taken to seek out violations rather than the more passive approach of waiting for complaints?

[The information follows:]

Although complaints generate a part of our enforcement activity, the enforcement program is driven by a number of factors. For example, many enforcement litigation cases are insurance cases which generally do not arise from the filing of complaints, but rather from our insurance monitoring program. Indeed, the Commission's enforcement staff is given wide flexibility to seek out violations rather than relying exclusively on complaints to determine the enforcement workload. Further, our follow-up procedures for prior enforcement cases often generate new cases. And, frequently, we expand complaint investigations beyond the scope of the initial complaint to include new or additional violations discovered on our own. Additionally, many complaints are generated as a result of outreach efforts by the Commission to educate the public regarding the requirements of the Interstate Commerce Act and related statutes and regulations.

CONSUMER COMPLAINTS

Mr. Carr. What are the leading causes of complaints lodged with the Commission by consumers?

[The information follows:]

Generally, the largest category of complaints by consumers involve dissatisfaction with carriers' handling of loss-and-damage claims. The next largest category usually involves questions about rates that are assessed by all carriers (the largest percentage of complaints are lodged against household goods and freight carriers in this category), followed by delays in those carriers providing service on or near the requested dates.

COMPLIANCE AND CONSUMER ASSISTANCE TRAVEL

Mr. Carr. What is the travel budget for the Office of Compliance and Consumer Assistance for fiscal year 1993 and what is your request for fiscal year 1994?

[The information follows:]

The travel budget for FY 1993 and the request for FY 1994 is $580,000. This amount will allow us to accomplish the objectives set out in the workload program.

COMPLIANCE AND CONSUMER ASSISTANCE FIELD STAFFING

Mr. Carr. For the record, please update the field office staffing table found on page 267 of last year's hearing by adding a column for fiscal year 1994.

[The information follows:]

Office and location	Fiscal year—			
	1991	1992	1993	1994
Philadelphia, PA	23	23	26	26
Boston, MA	10	8	9	7
Atlanta, GA	13	13	14	11
New York, NY	6	6	6	5
Cleveland, OH	5	5	5	5
Jacksonville, FL	3	3	4	4
Charlotte, NC	2	3	2	3
Baltimore, MD	3	3	1	2
Chicago, IL	27	26	28	28
Ft. Worth, TX	10	9	11	11
Minneapolis, MN	2	2	3	2
St. Louis, MO	2	3	3	3

Office and location	Fiscal year—			
	1991	1992	1993	1994
Indianapolis, IN	1	2	2	2
Kansas City, MO	2	3	3	3
Omaha, NE	1	2	2	2
San Francisco, CA	14	12	11	11
Los Angeles, CA	8	7	8	8
Denver, CO	5	5	5	4
Seattle, WA	3	3	4	4
Salt Lake City, UT	1	1	1	2
Total	141	139	148	144

COMPLIANCE AND CONSUMER ASSISTANCE REGIONAL TRAVEL

Mr. CARR. Please update the table of field office travel as shown on pages 267 and 268 of last year's hearing record by deleting fiscal year 1990 and adding fiscal year 1994.

[The information follows:]

OFFICE OF COMPLIANCE AND CONSUMER ASSISTANCE REGIONAL TRAVEL

Region	Fiscal year—			
	1991	1992	1993	1994
Eastern:				
Travel dollars	$247,000	$250,000	$258,000	$258,000
Staff years	65	64	67	64
Travel per staff year	$3,800	$3,906	$3,851	$4,031
Central:				
Travel dollars	$146,000	$150,000	$154,000	$154,000
Staff years	45	47	52	51
Travel per staff year	$3,244	$3,191	$2,961	$3,020
Western:				
Travel dollars	$127,000	$133,000	$136,000	$136,000
Staff years	31	28	29	29
Travel per staff year	$4,097	$4,750	$4,690	$4,690
Total:				
Travel dollars	$520,000	$533,000	$548,000	$548,000
Staff years	141	139	148	144
Travel per staff year	$3,688	$3,835	$3,703	$3,806

BUILDING RENOVATION

Mr. CARR. Please provide an update on the proposed rehabilitation of the ICC building, including schedule and estimated cost information.

[The information follows:]

GSA is currently planning to move Commission staff into temporary space in fiscal year 1998 with renovation to be completed and staff moved back in FY 2000. The GSA projected cost for renovation of the ICC Building and connecting wing is $98.2 million. The GSA projected relocation costs are $14 million.

COMPUTER DATABASE REDESIGN

Mr. CARR. How much was budgeted for the computer redesign project in fiscal year 1993 and how much has been spent to date?

[The information follows:]

The Commission has budgeted and transferred to VOLPE $530,000 in fiscal year 1993 for the development of the Information Strategic Planning effort for the redesign/replatforming of the Commission's computer database information systems.

Mr. CARR. Please provide a schedule that shows estimated incremental funding needed to complete the redesign of the Commission's software systems and your projected date of completion.

[The information follows:]

The Department of Transportation's VOLPE National Transportation Systems Center is currently assisting the Commission in developing the requested information. The completed long term Information Systems Strategic Plan will outline a general course of action and will provide a prioritized list of information systems that need to be developed and/or redesigned, recommendations for types of software and hardware platforms, and a more realistic estimate of costs and scheduling.

Prior to the development of the long term Information Systems Strategic Plan, the Commission used several software conversion mathematical models (1987 and 1992) which forecasted the expenditures associated with the Commission's redesign effort. The 1992 Software Conversion Study estimated the effort would be $11–12 million. The completion of the redesign is driven by the life cycle of the current timesharing contract which is scheduled to end the last quarter of fiscal year 1999.

TRAVEL OVERSEAS

Mr. CARR. Please update for the record the listing of official overseas travel shown on page 231 of last year's hearing record by adding data through the date of this hearing.

[The information follows:]

Chairman Edward J. Philbin traveled to Argentina on official business during FY 1992. No official overseas travel has occurred in fiscal year 1993 to date. However, staff has traveled and will continue to travel for official business purposes to both Mexico and Canada throughout the year.

OTHER SERVICES' COSTS

Mr. CARR. Please provide for the record the breakdown of the Commission's "other services" account, as shown on page 231 of last year's hearing record, and include a narrative discussion of any significant decreases or increases to the Fiscal Year 1993 level.

[The information follows:]

Costs associated with the optical scanning of tariffs, the fees and billing system, and the redesign of the Commission's software systems account for the significant increase in the major service contracts category. Software development costs associated with the development of an automated procurement document system account for the increase in the software development category.

Minor service contracts category costs have decreased due to completion of some contracts, including the OPM Management Assessment Study and the timesharing benchmark conversion study.

Other maintenance category costs have increased due to the need for additional copier maintenance for copiers purchased in FY 1992.

Building Repairs and Maintenance costs have increased due to the increased cost of building security services.

Training increases are due primarily to greater training requirements of the Commission, an inflationary increase in the cost of training, and an enhanced emphasis on computer training.

[In thousands of dollars]

Other services	Fiscal year—				
	1990	1991	1992	1993	1994
Auto maintenance and parking	$1	$1	$1	$1	$1
Household goods storage	2	0	0	0	0

[In thousands of dollars]

Other services	Fiscal year—				
	1990	1991	1992	1993	1994
Investigations and other legal costs	13	1	21	10	15
Training	95	47	116	116	213
Computer equipment maintenance	63	63	81	66	70
Other maintenance	96	73	83	97	98
Building repairs and maintenance	285	323	323	341	368
Tenant alterations-expensed	32	47	21	25	25
Health services	61	71	66	65	69
Major service contracts	209	197	1,152	2,500	2,284
Minor service contracts	89	86	149	135	125
Miscellaneous services	15	9	14	8	8
Timesharing contracts	563	396	528	528	546
Communication network contracts	2	5	5	5	5
Software development contracts	0	4	6	18	0
Data capturing contracts	7	6	7	8	8
Total	1,533	1,329	2,573	3,923	3,835

PERSONNEL SEPARATIONS

Mr. CARR. Please update for the record the gross separation percentages, excluding new hires, for fiscal year 1992 by office, as shown on page 233 of last year's hearing record.

[The information follows:]

GROSS SEPARATION PERCENTAGES BY OFFICE FOR FISCAL YEAR 1992

Office	Strength report 10/5/91	Separations 10/1/91 to 09/30/92	Separation percentage
Commissioners and their Offices	41	5	12
Office of the Secretary	73	5	7
Office of the General Counsel	23	3	13
Office of Proceedings	98	9	9
Office of Hearings	5	1	20
Office of Public Assistance	13	2	15
Office of Economics	75	2	3
Office of Tariffs	55	4	7
Office of Compliance and Consumer Assistance	177	8	5
Office of the Managing Director	65	9	14
Total	625	48	8

STAFF-YEAR BUDGET COMPARISONS

Mr. CARR. Please provide for the record tabular data on staff-years and budget estimates by bureau and office for both the OMB submission and the Congressional submission for fiscal year 1994, as compared with fiscal year 1993 estimates and fiscal year 1992 actual figures.

[The information follows:]

STAFF YEARS AND BUDGET ESTIMATES BY OFFICE

[In thousands of dollars]

OFFICE	FY 1992 ACTUAL STAFF-YEARS	FY 1992 ACTUAL OBLIGATIONS	FY 1993 ESTIMATED STAFF-YEARS	FY 1993 BUDGET ESTIMATE	FY 1994 OMB STAFF-YEARS REQUEST	FY 1994 OMB BUDGET REQUEST	FY 1994 CONGRESSIONAL STAFF-YEARS REQUEST	FY 1994 CONGRESSIONAL BUDGET REQUEST
Commissioners and their Offices	42	$4,064	42	$4,368	46	$4,981	45	$4,786
Secretary	73	3,708	76	4,061	70	4,105	93	5,094
General Counsel	22	2,243	21	2,279	17	1,925	20	2,311
Proceedings	92	7,375	94	7,937	85	7,809	71	6,280
Hearings	5	438	5	462	5	496	5	477
Public Assistance	12	1,070	12	1,141	3	358	12	1,203
Economics	73	6,498	73	6,989	61	6,446	71	7,056
Tariffs	54	3,224	63	4,893	59	8,976	62	4,981
Compliance and Consumer Assistance	179	12,298	185	13,334	168	13,279	180	13,690
Managing Director	62	5,463	59	5,766	60	7,978	61	6,888
Commission Totals	614	$46,381	630 [1]	$51,230	574	$56,353 [2]	620	$52,766

[1] The 630 figure represents a 1-percent cut from FY 1993 authorized levels and does not equate to either current or projected FTE usage. As of the pay period ending March 20, 1993, the Commission had used 305.7 FTEs. Assuming no new hires, retirements, or changes in work schedules or pay status, the Commission would use 611.1 FTEs by the end of FY 1993. However, as of that date, the Commission planned to fill additional positions (some of these would simply backfill existing and future vacancies). Therefore, as of March 20, our projected FY 1993 FTE usage was 621.8.

[2] While the OMB FY 1994 FTE/Staff-year request is lower than the FY 1994 Congressional request, the actual budget request is higher in terms of dollars because the 574 level would require some separation payments. The 574 level would result in significant budgetary savings in future fiscal years.

SPECIAL APPOINTMENTS

Mr. Carr. Please update for the record the breakdown of personnel receiving "special appointments," (i.e., other than full-time permanent staff) shown on page 234 of last year's hearing record.

[The information follows:]

SPECIAL APPOINTMENTS

NAME	TITLE	GRADE	ORGANIZATION	CATEGORY
Busch, Victor L.......	Computer Specialist....	GS-12	OMD-Systems Development	Temporary
Brooks, J. Carol......	Attorney-Advisor.......	GS-15	Public Assistance......	Part-Time
Rothenberg, Alan......	Attorney-Advisor.......	GS-15	Public Assistance......	Part-Time
Westbrook, Daniel.....	Expert.................	$250 Pd	Economics..............	Temp. Expert
Sehrt-Green, Elaine...	Attorney-Advisor (Trans.)	GM-15	Proceedings............	Part-Time
Udovic, Jane..........	Attorney-Advisor (Trans.)	GS-15	Proceedings............	Part-Time
Beachum, Stacey.......	Secretary (Typing).....	GS-5	OCCA-Headquarters......	Temporary
Holm, Michele.........	Secretary (Typing).....	GS-5	OCCA-Eastern...........	Part-Time
Dwyer, Carol..........	Secretary (Typing).....	GS-5	OCCA-Eastern...........	Part-Time
Monaghan, Martin......	Investigator...........	GS-12	OCCA-Eastern...........	Part-Time
Mitchell, George......	Trans. Clerk (Typing)..	GS-5	OCCA-Western...........	Temporary
Swann, Jason T........	Secretary (OA).........	GS-5	OMD-Personnel..........	Temporary
Huey, Lee Ann.........	Confidential Assistant.	GS-11	Chairman...............	Temporary
Miller, James E.......	Trans. Industry Analyst	GS-7	OCCA-Eastern...........	VRA
Gibson, Gloria L......	Office Auto Clerk......	GS-4	OCCA-Central...........	Temporary
Smith, Roberta A......	Secretary (OA).........	GS-4	OCCA-Eastern...........	Temporary
Cook, Christopher.....	File Clerk.............	GS-5	Tariffs................	Temporary
Winchester, Ernestine.	File Clerk.............	GS-5	Tariffs................	Temporary
Veal, Ivy.............	Secretary (OA).........	GS-4	OCCA-Eastern...........	Temporary
Jackson, Latonya......	OA Clerk...............	GS-4	OCCA-Central...........	Temporary
Huggins, Lucy L.......	OA Clerk...............	GS-4	OCCA-Central...........	Temporary
Smoke, Bruce..........	Asst. Financial Manager	GM-14	OMD-Budget & Fiscal....	Temporary
Pope, Andre'..........	Mail & File Clerk......	GS-4	Tariffs................	Temporary
Better, Rosslyn.......	Secretary..............	GS-6	Tariffs................	Temporary

STAFFING BY GRADE LEVEL

Mr. CARR. Please provide for the record the breakdown of onboard staff by position level as shown on page 234 of last year's hearing record.

[The information follows:]

STAFFING BY GRADE LEVEL

	Fiscal year—		
	1992 actual [1]	1993 estimate [2]	1994 estimate [2]
Executive Level III	1	1	1
Executive Level IV	4	4	4
Subtotal	5	5	5
ES–6	13	13	13
ES–5	1	1	1
ES–4	8	9	9
Subtotal	22	23	23
AL–3	2	2	2
GS/GM–15	91	91	91
GS/GM–14	77	73	72
GS/GM–13	61	67	65
GS–12	86	85	82
GS–11	51	53	50
GS–9	42	47	45
GS–8	21	19	19
GS–7	33	37	37
GS–6	51	49	49
GS–5	62	59	59
GS–4	29	29	29
GS–3	0	2	2
GS–2	1	0	0
Subtotal	607	613	602
Ungraded	2	2	2
Total positions	636	[3] 643	[3] 632

[1] End-of-year onboard strength as of September 19, 1992.

[2] Projected end-of-year onboard strength.

[3] Includes full-time and part-time positions.

PERSONNEL COMPENSATION AND BENEFITS

Mr. CARR. Please update the personnel compensation and benefits table found on page 235 of last year's hearing record by adding a fiscal year 1994 column and dropping 1988.

[The information follows:]

PERSONNEL COMPENSATION AND BENEFITS

	Fiscal Year					
	1989	1990	1991	1992	1993	1994
Permanent positions	$27,986,000	$27,777,000	$28,654,000	$29,202,000	$31,875,000	$31,643,000
Terminal leave	103,000	172,000	156,000	77,000	150,000	320,000
Special appointments	456,000	617,000	428,000	328,000	302,000	363,000
Overtime	38,000	25,000	10,000	24,000	30,000	32,000
Night differential	2,000	1,000	0	0	0	0
Performance/ Incentive awards	334,000	386,000	323,000	323,000	418,000	438,000
Reimbursable Details/ College Work Study			79,000	104,000	150,000	158,000
Total Compensation	$28,919,000	$28,978,000	$29,650,000	$30,058,000	$32,925,000	$32,954,000
Staff-Year Level	708	665	630	614	630	620
Average Compensation per Staff-Year	$ 40,846	$ 43,576	$ 47,063	$ 48,954	$ 52,262	$ 53,152
Total Benefits *	$ 4,161,000	$ 4,312,000	$ 4,479,000	$ 5,054,000	$ 5,199,000	$ 5,578,000

* Includes life insurance, health insurance, Federal retirement, FICA taxes, accident compensation, FERS thrift plan, employee relocation costs, and severance pay and unemployment compensation for former personnel.

Mr. CARR. Please provide a breakdown of the fiscal year 1994 PC&B increases and decreases by the following categories: staff-year reductions; within grade increases and merit bonuses; overtime; increases in health benefits premiums; increased social security and medicare premiums; and other increases or decreases. This should be similar in format to the data provided on page 237 of last year's hearing record.

[The information follows:]

FY 1994--Personnel Compensation and Benefits Increases

[In thousands of dollars]

	Compensation	Benefits
Staff year reductions	($232)[1]	
Terminal leave	170	
Temporary appointments and part-time employees	69	
Overtime increase	2	
Performance/incentive awards increase	20	
FY 1994 Executive Level pay raise	0	
Life insurance decrease		(3)
Health Benefits premium increase		88
Retirement costs increase		74
Social Security/Medicare premium increase		45
Accident compensation		6
Transit benefits increase		34
Real estate and moving expenses		135
Total	$29	$379

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[1] FY 1994 effects of annualized January 1993 pay raise offsets the 10 staff-year reduction.

OFFICE SPACE COSTS

Mr. CARR. Please update for the record the data on office space cost per square foot, as shown on page 239 of last year's hearing record.

[The information follows:]

COST PER SQUARE FOOT

	Fiscal year—			Percent increase
	1992	1993	1994	
Headquarters office space	$28.73	$30.47	$31.23	2.5
Field office space	$19.78	$20.99	$21.88	4.2

OFFICE SPACE USAGE

Mr. CARR. Please update for the record the data on office space usage, as shown on pages 239 and 240 of last year's hearing record.

[The information follows:]

OFFICE SPACE

	Headquarters		Field	
	Square feet	Cost per foot	Square feet	Average cost per foot
Fiscal year:				
1986	144,000	$20.34	45,900	$14.00
1987	144,000	$21.04	39,100	$13.56
1988	118,460	$21.04	38,019	$13.56
1989	118,150	$21.46	37,574	$14.15
1990	116,800	$25.55	36,797	$16.33
1991	111,560	$26.80	36,206	$18.49
1992	111,560	$28.73	36,196	$19.78
1993	111.560	$30.47	36,196	$20.99
1994	111,560	$31.23	36,196	$21.88

OFFICE SPACE PER EMPLOYEE

[In square feet]

	Headquarters	Field	Total
Fiscal year:			
1986	210	191	205
1987	219	212	217
1988	165	201	172
1989	162	212	175
1990	173	207	180
1991	170	231	182
1992	169	231	181
1993	166	221	176
1994	168	230	179

COMMUNICATIONS AND UTILITIES COSTS

Mr. CARR. Please update the data on your "communications and utilities" budget by local telephone, long distance telephone, mail, copier rental, and other expenses, as shown on pages 240 and 241 of last year's hearing record.

[The information follows:]

COMMUNICATIONS AND UTILITIES COST

[In thousands of dollars]

	Fiscal year—		
	1992	1993	1994
Local telephone service	418	658	[1] 685
FTS intercity service	332	338	338
Mail	290	290	250
Courier service	10	12	11
Copier rentals	144	117	125
Miscellaneous machine rentals	0	2	2
Computer equipment rentals	0	8	8
Miscellaneous space rentals (local/State hearing rooms)	4	5	5
Total	1,198	1,430	1,424

[1] FY 1992 local telephone service costs reflect a lower cost than FY 1993 and FY 1994 estimates due to the participation in and implementation of a Digital Telephone Service for the Commission by the Department of Treasury and the delayed relocation of the Atlanta field office until FY 1993. The FY 1993 and 1994 increases will provide for voice mail to the Commission.

FURNITURE AND EQUIPMENT COSTS

Mr. CARR. Please provide an itemized list of furniture and equipment purchases for fiscal year 1992, and estimated for fiscal years 1993 and 1994.

[The information follows:]

Furniture and equipment purchases for FY 1992 included:

1) Capitalized Furniture:	
Shelving for Office of Tariffs	$3,000
Los Angeles Field Office systems furniture	$28,000
Additional systems furniture work station for the Chicago Regional Office	$3,000
2) Expensed Furniture:	
Los Angeles Field Office file system	$5,000
Computer tables and chairs for the Office of the Secretary and Office of Tariffs imaging project	$14,000
Miscellaneous replacement requirements for headquarters and field offices—replacement of furniture and file cabinets no longer economically feasible for repair/rehabilation	$23,000
3) Capitalized Equipment:	
Copier replacements	$30,500
Office of Secretary purchase of mail equipment	$24,000
Miscellaneous equipment replacement	$28,500
4) Expensed Equipment:	
Replacement of office equipment, i.e., code-a-phones, typewriters, calculators, simplex time/date stamps, etc	$10,000
Total	$169,000

Proposed furniture and equipment purchases for FY 1993 include:

1) Capitalized Furniture:	
Miscellaneous replacement requirements for headquarters and field offices	$5,000

2) Expensed Furniture:	
New and replacement furniture requirements consisting of: chairs, executive; chairs, general office; chairs, computer; computer tables; file cabinets; desks; tables; bookcases; and miscellaneous furniture.	$24,000
3) Capitalized Equipment:	
Copier replacements	$50,000
Microfilm equipment	$15,000
Miscellaneous new or replacement equipment for headquarters and field offices	$5,000
4) Expensed Equipment:	
Replacement of office equipment, i.e., code-a-phones, typewriters, calculators, simplex time/date stamp, etc	$10,000
Total	$109,000

Proposed furniture and equipment purchases for FY 1994 include:

1) Capitalized Furniture:	
San Francisco Regional office systems furniture	$50,000
Fort Worth Field Office systems furniture	$30,000
Miscellaneous replacement requirements for headquarters and field offices	$5,000
2) Expensed Furniture:	
San Francisco Regional Office file system	$11,000
New and replacement furniture requirements consisting of: chairs, executive; chairs, general office; chairs, computer; computer tables; file cabinets; desks; tables; bookcases; and miscellaneous furniture.	$24,000
3) Capitalized Equipment:	
Copier replacements and field	$35,000
Miscellaneous equipment replacement	$5,000
4) Expensed Equipment:	
Replacement of office equipment, i.e., code-a-phones, typewriters, calculators, simplex time/date stamp, etc	$9,000
Total	$169,000

PERSONNEL RELOCATION COSTS

Mr. CARR. You are requesting $200,000 in fiscal year 1994 for change of duty funding to assist in anticipated employee relocations. Please provide information for the record on what assumptions were made in arriving at his request, and how you calculated that $200,000 would be needed.

[The information follows:]

By 1994, certain experienced staff in the Office of Compliance and Consumer Assistance (OCCA) headquarters, 3 regional offices, and 17 field offices are eligible for retirement. Senior staff eligible to retire include senior field agents, one senior headquarters executive, and one senior trial attorney, among others. Combining senior staff eligible to retire with all other OCCA staff eligible to retire results in approximately 20 percent (36 positions) of total OCCA staff eligible to retire.

Replacing senior staff with equally experienced and competent new hires will be difficult. Filling these positions will require a national recruiting effort.

Relocation estimates are based on historical data adjusted for inflation. The cost of relocating the four most senior staff position new hires is estimated at $50,000 per individual for a total estimate of $200,000.

RADAR DETECTOR IMPACT ON TRUCK SAFETY

Mr. WOLF. This Committee has recently had testimony urging the banning of radar detectors on commercial trucks as a safety measure. The human costs involved in truck accidents, of course, cannot be quantified.

But does the Commission have any data concerning the economic impact to interstate commerce of trucking accidents?

[The information follows:]

The Commission does not have data concerning the economic impact to interstate commerce of trucking accidents. The Department of Transportation and the National Transportation Safety Board are the Federal agencies responsible for gathering and evaluating information on trucking accidents. From December 1985 to December 1992, the Commission received 71 self-insurance applications and approved 25 of those applications for motor carriers to self-insure their bodily injury and property damage and cargo insurance requirements. These carriers report to the Commission, on a quarterly-basis, the aggregate numbers and amounts of claims that are filed against them. The information is evaluated by the Commission's staff to determine a carrier's ability to pay claims, which could affect its economic viability. The data, however, are only associated with the small number of self-insured carriers; consequently, industry-wide economic impact conclusions cannot be made from these data.

UNDERCHARGE LEGISLATION

Mr. WOLF. In your testimony, you indicated that more than 250 undercharge cases have been referred to or filed with the Commission. You additionally indicate that this is only the tip of the iceberg, with approximately 370,000 such cases pending in the courts. It appears to be the Commission's opinion that this problem is crying out for a legislative remedy.

Do you think the legislation pending in the Senate is the answer, or do you have additional recommendations for legislation?

[The information follows:]

The Commission has often gone on record as supporting various legislative solutions to the undercharge situation. Last year, the agency supported the previous bill offered by Senators Hollings and Exon. The Commission would like to see all the parties come together and work on a resolution to this difficult issue. The Commission wants to support those efforts and help however it can with technical information.

The United States Court of Appeals for the Third Circuit recently overturned our Ex Parte No. MC-208 rules [1] providing for prescreening of undercharge claims by non-operating carriers on the grounds that the Commission lacked specific statutory authority to undertake what the court regarded to be adjudication. Any comprehensive approach to the problem should perhaps take into account expressly giving the Commission the authority the court said it lacked.

TARIFF-FILING REQUIREMENT

Mr. WOLF. Also, should we be considering doing away altogether with tariff filing to make this problem moot, at least for the future?

Wouldn't this save a lot of money, particularly the $5 million the Commission is requesting to implement electronic tariff filing?

[The information follows:]

Eliminating the tariff-filing requirement is a course of action available for Congressional consideration. Several such proposals have been presented to the Congress in the past and have been supported by a majority of the Commission. Up to this point, the Congress has declined to act in this respect.

The Commission believes its primary mission is to execute its responsibilities under the existing statute. The Commission is currently undertaking several tariff-related actions, such as a more intensive review of newly filed tariffs.

Though $5 million was requested for the implementation of electronic tariff filing in the FY 1994 OMB Budget request, no funds were provided in the OMB Passback for FY 1994. Any requests for funds for system implementation are pending the resolution of Congressional desires concerning this function.

Eliminating tariff filing would eventually reduce the size of the appropriation required to operate the Commission; obviate spending between 15 and 20 million dollars to implement electronic tariff filing; eliminate the possibility of future undercharges; and potentially save the industry and consumers billions of dollars.

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[1] *Nonoperating Motor Carriers—Collection of Undercharges,* 8 I.C.C.2d 742 (1992).

Chairman McDonald, joined by Vice Chairman Simmons [commenting]. The majority's assertion of the savings to be gained from eliminating tariff filing fails to convey the complexities of the matter. The real costs of eliminating filed rates are more difficult to evaluate than the majority suggests. Tariff filing was implemented to give shippers and competing carriers notice of rates and to protect those parties from discriminatory pricing. The value of that public benefit cannot be converted readily into a dollar figure. I favor the implementation of electronic filing if the tariff filing requirement is not eliminated, but listing as a savings the asserted 15 to 20 million dollars necessary to implement electronic filing is premature, as the Commission is in the midst of a proceeding to determine the costs of electronic tariff filing and whether it will be implemented. Future undercharges can be avoided not only through elimination of the tariff filing requirement but also through enforcement of the current law.

STAFFING REDUCTIONS

Mr. Wolf. You indicate that the Commission's request complies with the Administration's 2.5-percent Federal employee reductions. However, isn't the Commission's FTE request for 620 FTEs only a reduction in the fiscal year 1993 authorized level of 636 FTEs, rather than a reduction in actual workforce?

[The information follows:]

Yes. Although the Commission's on-board strength as of April 3, 1993, was 631 employees, this figure includes full-time permanent employees, special appointments, and co-op part-time employees and does not equate to either current "annualized" or "projected" FTE usage. There were 598 full-time permanent employees, 22 special appointments, and 11 co-op appointments. Co-op appointments are not included in calculating FTEs and the 22 special appointments do not translate into 22 FTEs because of the differing characteristics surrounding these employees, i.e., different work schedules, beginning dates of service, and lengths of service. As of March 20, 1993, the Commission's projected FY 1993 end-of-year FTE usage would be 621.8. This includes 26 additional hires (some of these would simply fill existing or future vacancies).

Mr. Wolf. In fact, with a current level of 614 FTEs, couldn't the Commission actually hire six more full-time employees if you allocated 620 FTEs for fiscal year 1993?

[The information follows:]

As of the pay period ending March 20, 1993, the Commission had used 305.7 FTEs. Assuming no new hires, retirements, or changes in work schedules or pay status, the Commission would use 611.1 FTEs by the end of FY 1993. This would allow the Commission to increase hiring in order to reach the proposed FY 1994 level of 620. As of March 20, the Commission intended to hire 26 additional persons, increasing our projected FY 1993 FTE usage to 621.8.

TOTAL QUALITY MANAGEMENT

Mr. Regula. What is the ICC doing to implement a program of "total quality management" to gain greater efficiency in carrying out the Commission's responsibilities?

[The information follows:]

The Commission requested that the Office of Personnel Management (OPM) perform a management assessment study. The result, the OPM Management Study, consists of executive personnel and staff interviews, as well as outside agency and customer interviews.

The recommendations contained in the study results touch virtually every aspect of the operations of the Commission, specifically, communication enhancement and more efficient use of human resources, the clarification of leadership roles, the consolidation of strategic direction, and the focus of regional operations.

The results of the study are currently being evaluated and the Commission will decide to what extent the study recommendations should be implemented.

UNDERCHARGE CASE WORKLOAD

Mr. REGULA. The chairman's testimony states, "The impact of this decision on the Commission's workload was felt most dramatically in three offices—the Office of Proceedings, the Office of Tariffs, and the Office of General Counsel. Our staff estimates that there are approximately 370,000 pending undercharge cases in the courts that could be referred to the Commission."

What is the role of the ICC in the issue of motor carrier undercharges subsequent to the Maislin decision?

[The information follows:]

The Commission has primary jurisdiction over all issues regarding the applicability, validity, reasonableness, and lawfulness of tariffs; over what constitutes bona-fide contract carriage; and over credit and collection practices by motor carriers. Moreover, only the Commission can determine the appropriate consequences of a subsequently discovered invalidity or unlawfulness of tariffs on file with it. The role of the Commission in this regard was most recently recognized by the Supreme Court in its March 8, 1993, decision in *Reiter v. Cooper.*

RAILROAD ABANDONMENTS

Mr. REGULA. What are the specific criteria applied by the ICC in ruling on the question of rail line abandonments?

[The information follows:]

Three procedures with differing criteria may be used by rail carriers to obtain abandonment authorization from the Commission. They include formal applications, individual petitions for exemption from formal review, and the Commission's class exemption for lines that have been out-of-service for at least 2 years.

Formal applications for abandonment are used for abandonments that must be examined in detail. They are decided under the statutory criteria of 49 U.S.C. 10903, *et seq.* and pursuant to the Commission's abandonment regulations at 49 CFR Part 1152. The specific statutory criteria is the "public convenience and necessity" test. The Commission's implementing procedures are designed to demonstrate whether a line proposed for abandonment provides adequate revenue to cover the cost of providing rail service, and whether the carrier's costs of continued operations outweigh the impact abandonment would have on shippers and localities. Usually, abandonment is only authorized when the revenues are shown to be insufficient to cover operating expenses. In some cases, abandonment may be authorized when revenues cover operating expenses, but are insufficient to support normalized maintenance, the cost of rehabilitation, or a carrier's lost opportunity costs associated with maintaining a line. The Commission denies abandonment requests when cost evidence is insufficient to show that a line is being operated at a loss or where there was shown to be a clear adverse impact on shippers and communities with only a minimum burden on the railroads to continue to provide service.

If a carrier anticipates little or no opposition, it may file a summary application, which allows the carrier to omit certain documentation. In that event, however, if substantial opposition develops, the Commission will require the carrier to proceed under its long-form abandonment procedures.

The Commission's class exemption procedures appear at 49 CFR 1152 Subpart F. They may be used by any carrier by filing a notice of exemption that certifies that no local traffic has moved over the line for two or more years, that any overhead traffic can be rerouted and that no shipper has formally complained about the cessation of service on that line. The class exemption is based on a presumption that, if a line has not been used for at least 2 years, it is probably unnecessary.

Petitions for exemption from formal review of abandonment requests are considered individually and are decided under the standards of 49 U.S.C. 10505. The criteria for approval of the petition are (1) whether the rail transportation policy requires that the more vigorous formal application procedures be followed; and (2) whether the proposed exemption is of limited scope or would result in any harm to shippers by an abuse of market power.

CLOSING REMARKS

Mr. CARR. We are delighted to have you here today. We thank you for your cooperation.

Ms. McDONALD. Thank you, Mr. Chairman.

TUESDAY, MAY 4, 1993.

FEDERAL RAILROAD ADMINISTRATION

WITNESSES

S. MARK LINDSEY, ACTING ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION

KATHY MURPHY, DIRECTOR, OFFICE OF BUDGET

GRADY COTHEN, ASSOCIATE ADMINISTRATOR FOR SAFETY

ROBERT KRICK, DEPUTY ASSOCIATE ADMINISTRATOR FOR RAILROAD DEVELOPMENT AND DIRECTOR OF RESEARCH AND DEVELOPMENT

OPENING REMARKS

Mr. CARR. Good morning. The Subcommittee will come to order. Today we will receive testimony on the fiscal year 1994 budget request of the Federal Railroad Administration. The request totals $1.056 billion. Most of this funding is for Amtrak-related programs and high-speed rail initiatives, which will be discussed in tomorrow's hearing on Amtrak and high-speed rail.

Remaining FRA programs are the subject of today's hearing. They basically involve FRA administrative activities, rail service, and research and development.

The fiscal year 1994 budget request for these activities totals about $78.5 million, which is a 5 percent decrease from the $83 million provided for fiscal year 1993.

Our principal witness today will be Mark Lindsey, acting FRA Administrator and chief counsel for the agency.

Mr. Lindsey, let me welcome you here today to present the FRA's budget. Your entire written statement will be included in the record. I ask you to introduce your supporting witnesses and colleagues at the table, then proceed with an oral summary of your statement, and then we will get right to questions.

Mr. LINDSEY. Thank you very much, Mr. Chairman. We are pleased to be here this morning. To my left is Kathy Murphy, who is the Director of our Office of Budget. To her left, Grady Cothen, the Associate Administrator for Safety, and to my right, Bob Krick, who is a Deputy Associate Administrator for Railroad Development and Director of Research and Development.

I would like briefly to summarize my statement, and also, Mr. Chairman, to apologize to you on the record for materials being late coming before the Committee. We know that puts the Committee in a difficult position, and we are very sorry that occurred. No excuses.

Mr. CARR. Well, we accept your apology. It is a hardship. We are all operating under some time compression here. The administration did not get its request to us until after the budget resolution on April 8th or 9th, I believe. Normally we get numbers the 1st of

February. It is not a problem of your making, but I might say that all the other agencies have managed to get their material to us in a timely fashion, and you are the first agency that has not. I hope you pass that up the line, because it makes it difficult for us to act on your request when it is so late.

STATEMENT OF MR. LINDSEY

BUDGET REQUEST

Mr. LINDSEY. We are particularly sad about that because this is a request with which we are very pleased and proud of.

When Secretary Pena introduced the Department's budget request for fiscal year 1994 to the press, there were some highlights that he made that fit us very closely, highlighting FRA much more than has been the case in past Department budgets. And, of course, we are very pleased and proud that is the case.

He recited key themes in the President's budget: stimulating the economy, investing in the future and reducing the deficit, to which we believe our budget contributes. He then recited some new directions for DOT, and particularly key was support for rail. We are unaccustomed to being highlighted in that manner in the Department's budget and we are delighted that Secretary Pena has seen fit to do that.

Two other new directions that also fit us are: growth and infrastructure investment, most of which we will be talking about tomorrow; and emphasis on technology, which fits both research and development today and some subjects we will discuss tomorrow.

In particular, some ways that those themes are reflected in this year's budget request that are especially important to us fall in the Office of Safety and in the area of high-speed rail. It has been a very long time since the headquarters staff in the Office of Safety has been augmented, and for us that is a critical need. And the request for people in the Office of Safety, both headquarters and field, reflects Secretary Pena's personal priorities. He looked at these matters and made the judgments himself. We think they are extremely important.

Places where the additional staff we are requesting are particularly important in headquarters have to do with moving rulemakings in a timely manner. We have a very large rulemaking workload for the size of our agency, much of which is statutorily mandated. The people whom we are seeking are critical to moving those rulemakings and then administering the rules, once we have them in place.

Just as an example, to illustrate the magnitude of our difficulties, at present we have 35 rulemaking projects in one stage of development or another. To move something to an NPRM or final rule, we need to have an economist prepare a cost-benefit analysis. We have only two economists in the Office of Safety. We are seeking more in this budget request, and certainly they are critical to being able to move rulemaking projects. We can march through each one of the positions we are seeking in safety headquarters and find a similar kind of need to which the positions requested respond.

In the field, the positions respond to two needs. One is grade-crossing safety, which, as you will see looking through our safety numbers, is our most serious safety problem at the moment. Four of the FTEs go to producing eight inspectors who will look at grade-crossing protection devices. Four of them go to eight specialists who would be housed in each of the regional offices to address other portions of our grade-crossing safety initiatives. And there is one additional person, a HAZMAT training specialist.

One of the areas in which we were criticized by the GAO was an inadequate training program. We have worked very hard to improve that.

A last key piece is the hazardous material training specialist. We do not now have one, and one is badly needed. We are also requesting that position in this budget request.

The other staffing increases that we are seeking are for the President's high-speed rail initiative. There, we seek 20 positions and 15 FTEs. We do not have the staff on board at present to carry that initiative forward, and we believe the request here to be a fairly bare-bones approach to staffing the beginning of such a major undertaking.

As is reflected in our budget request, we believe that we are a highly efficient agency that is a good investment of public funds. We get a lot of mileage out of the relatively few people we have. You will find, looking at us in many areas, that we are often one person deep in a particular kind of expertise, and we use tools such as computer automation to get as much mileage as we can out of our staff.

SAFETY HIGHLIGHTS

I would like to spend a minute or two, before wrapping up and addressing questions, on safety highlights. We now have largely in final form the safety numbers from 1992. It is by any measure, I think, the safest year in modern railroad history. We are very pleased with that and very proud. We have attached to the formal statement a number of charts, laying out in a variety of areas many of those safety numbers. I would like to highlight just a few of the more significant ones, Mr. Chairman.

We have a 12 percent decline in railroad accidents, going from 2,658 down to 2,340. We have a 14.8 percent decline in the accident rate. Both of these are historic lows. The accident rate is now 3.93 accidents per million train miles, which is a very good safety record indeed.

We have had a 9 percent decline in grade-crossing accidents, of which there are still too many. At grade crossings we had 575 deaths in 1992. That is a number I would like to highlight both ways.

On the good side, that is tied for the record low number of deaths ever experienced in grade crossing accidents. On the bad side, 575 is far too many deaths. It is an unacceptably high number. And, if you compare that number to the number of people killed otherwise in railroad operations, it illustrates how dramatic the railroad grade-crossing safety problem is.

We lost 35 people in all other railroad accidents having to do with operations exclusive of grade crossings or trespassers. We find the difference stark.

Clearly, from these data the next problem we have to address is trespassers. There also is a large number of deaths and this presents an even more difficult problem to deal with than grade crossings.

We lost 533 trespassers in 1992. That was a slight increase. It was the only key indicator that increased during the year. We are having a very difficult time persuading people to stay off the railroad rights-of-way, where they may be killed doing things like going out fishing in the middle of long railroad trestles, where once the train approaches it is too late to flee and people get caught and killed.

There has been a 10.1 percent decrease in employee injuries, and 8 percent decline in the employee injury rate, down to 6.82 injuries per 200,000 hours worked. That is a safety record of which we are very proud.

We hope the 1993 numbers will be lower still, once they are final. Of course, our first priority as an agency is railroad safety, and we want to keep bringing those numbers down and finding new and creative ways, in particular to address our very serious problems at grade crossings and with trespassers.

With that, Mr. Chairman, thank you very much, and we will address your questions.

[The prepared statement of Mark Lindsey follows:]

TESTIMONY OF S. MARK LINDSEY
ACTING ADMINISTRATOR
FEDERAL RAILROAD ADMINISTRATION
BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION
U.S. HOUSE OF REPRESENTATIVES

MAY 4, 1993

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to appear before you today to present the FY 1994 budget request for the Federal Railroad Administration (FRA).

BUDGET REQUEST

The total FY 1994 request for FRA is $1.056 billion, which includes a 10 percent increase for safety programs, continued funding for Amtrak and the Northeast Corridor (NEC), and funding for a new High-Speed Ground Transportation Development (HSGT) program.

This budget is a milestone for FRA since it recognizes the magnitude of FRA's programs, the need for adequate resources and the critical link between resources and program accomplishments.

We are delighted that the Administration is putting a strong emphasis on safety and, despite tight budgetary circumstances, recognizes FRA's need for increases in the headquarters staff of the Office of Safety to maintain ongoing work; address serious delays in rulemaking and special proceedings of all sorts, including petitions for waivers of safety rules and appeals from denials or revocations of engineer certifications; and focus on other Congressional and Departmental commitments. These resources are critical to FRA's ability to stabilize its current safety workload and to address new agenda items such as the President's High-Speed Ground Transportation Initiative.

FRA's inability to process waiver requests from the railroads on a timely basis often represents a costly delay in a railroad being able to take advantage of a technological improvement which may be as safe or safer than a current piece of equipment or current operating practice. Similarly, the delays FRA now suffers in rulemaking not only delay safety benefits, represented by reductions in fatalities, injuries, and property damage, but may cost the industry millions of dollars as well by delaying implementation of cost-beneficial regulatory changes.

STAFFING

The scope and complexity of FRA's programs continue to increase at an alarming rate and FRA's responsibilities have increased beyond the level at which acceptable performance can continue to be sustained without commensurate increases in resources. FRA has worked very hard over the years to ensure maximum utilization of its staff. We cannot, however, stretch these resources any further.

The FY 1994 budget includes funding for a total of 761 FTEs, a net increase of 35 FTEs over the FY 1993 revised level. Most of these FTEs are for the Office of Safety to help carry out its regulatory workload and to implement DOT's highway-rail grade crossing initiative and FRA's inspection and testing of 60,000 automated warning devices at highway-rail grade crossings. Fifteen FTEs are for the President's High-Speed Ground Transportation initiative, which we will discuss tomorrow.

SAFETY

The Railroad Safety FY 1994 request of $44.9 million reflects an increase of $4.3 million over the FY 1993 enacted level and includes funding for a staffing increase of 29 positions and related 17.5 FTEs and 6 non-ceiling FTEs.

Safety is our number one priority and the funding requested represents a heavy federal commitment to railroad safety. In addition to ongoing work, FRA has 35 safety rulemakings and safety reports on the agenda. The Office of Safety is also involved in other critical projects such as: unfinished work from the 1989 GAO reports; Northeast Corridor experiments with European trainsets; and safety-related work with the Texas TGV, Orlando Maglev and other high-speed ground transportation developments.

RAILROAD RESEARCH AND DEVELOPMENT

The FY 1994 request level of $18.2 million for Research and Development (R&D) is a decrease of $7 million from the

FY 1993 enacted level. This decrease reflects the proposed transfer of the High-Speed Ground Transportation R&D work from the R&D appropriation to the new High-Speed Ground Transportation program.

The requested level maintains ongoing work in equipment, operations and hazardous materials research and includes increases for track research, environmental law compliance clean-up activities at the Transportation Test Center, and replacement of the FRA-wide computer network.

OFFICE OF THE ADMINISTRATOR

An appropriation of $15.4 million is requested for the Office of the Administrator in FY 1994, a decrease of $1.7 million from the FY 1993 enacted level. This amount will be supplemented by $2.8 million estimated to be carried over from FY 1993, for a total direct program level of $18.2 million. This reflects an increase of $1.1 million over the FY 1993 enacted level.

In addition to salary and expense costs, increases include funds to replace the network software for the FRA-wide computer network and hardware elements needed to support the conversion. The vendor of this obsolete networking software will cease to support it after FY 1994. If it is not replaced, serious disruptions in FRA operations in FY 1995 and beyond could result. An unacceptable number of software problems are already occurring.

In many areas, FRA's efficiency is accomplished in significant part through automation. When the computer network fails to function as intended, or is down for a significant period, or is incapable of supporting the software and hardware tools FRA needs, FRA's efficiency is lost or seriously compromised.

Other

As indicated, FRA is proposing continued funding for Amtrak and the NEC, and funding for a new High-Speed Ground Transportation program. These will be discussed at tomorrow's hearing.

1992 SAFETY RECORD

Before concluding, I want to mention a few highlights of the safety record for the railroad industry during 1992.

FRA publishes accident/incident data that are comparable from the beginning of the current reporting system, which was implemented in 1975. These are data reported by the railroads, but they match well *overall* with direct FRA findings. The following information is based on PRELIMINARY 1992 data:

FAVORABLE TRENDS

Reportable employee casualties (illnesses, injuries and fatalities) totalled 17,666 with a rate of 6.82 per 200,000 employee hours.

> Both the total number of employee casualties and the employee casualty rate were the lowest on record.

Reportable train accidents totalled 2,340, for a rate of 3.94 per million train miles.

This is the lowest total number of train accidents and lowest rate of train accidents recorded.

Reportable train accidents involving release of hazardous materials totalled 27, and 32 cars released products in those accidents.

The number of accidents involving releases, and the number of cars releasing, are the lowest on record. Since chemical traffic continues to grow modestly and the numbers are notably below prior records, we believe that this comparison would hold on a normalized basis, as well.

Highway-rail grade crossing accidents totalled 4,900, down 9% from 1991, and resulted in 575 fatalities and 1,969 injuries.

This is the lowest total number of accidents, and the lowest total number of injuries, on record.

If the fatality total of 575 holds after review, we will have tied the lowest number of fatalities on record (set in 1983). The highest fatality total since 1975 was 1,120 in 1976.

We continue to make good progress against the trend line of increasing exposure (train miles v. vehicle traffic), but the average severity of these accidents (risk that a fatality will result) continues to increase.

STATIC DATA AND UNFAVORABLE TRENDS

Employee fatalities totalled 35, the same as last year, which was a record low.

On a long-term trend line basis the employee fatality rate is dropping; however, 1992 does not represent an improvement in that category, since rail employment continued to fall last year.

Trespasser fatalities totalled 533.

This is a slight increase from 1991 (524), and just below the record high of 543 in 1990.

It is the gradual rise in trespasser fatalities over the past few years that has resulted in total rail-related fatalities remaining just above the record low levels achieved in the mid-1980s.

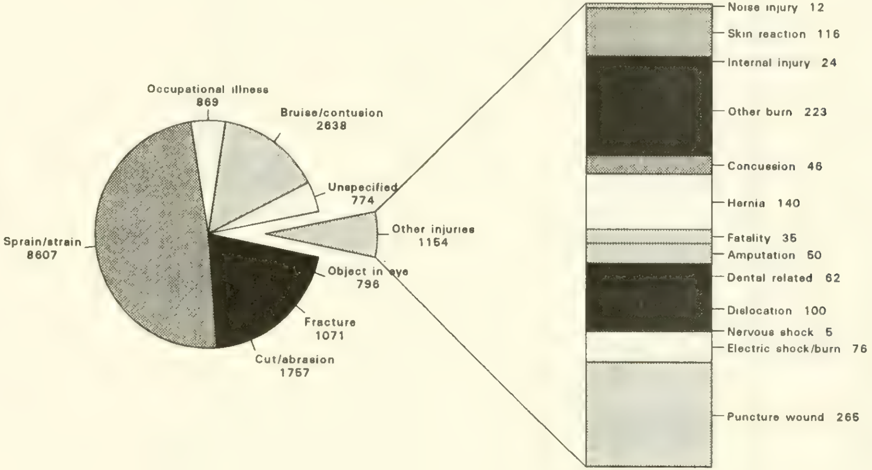
Trespasser fatalities and injuries are the aspect of railroad safety over which FRA has the least control. Nevertheless, we are working to develop strategies to address this issue.

A number of charts are appended to this statement showing these data and more so you may have a full picture of railroad safety.

I will be happy to answer any questions the Committee may have.

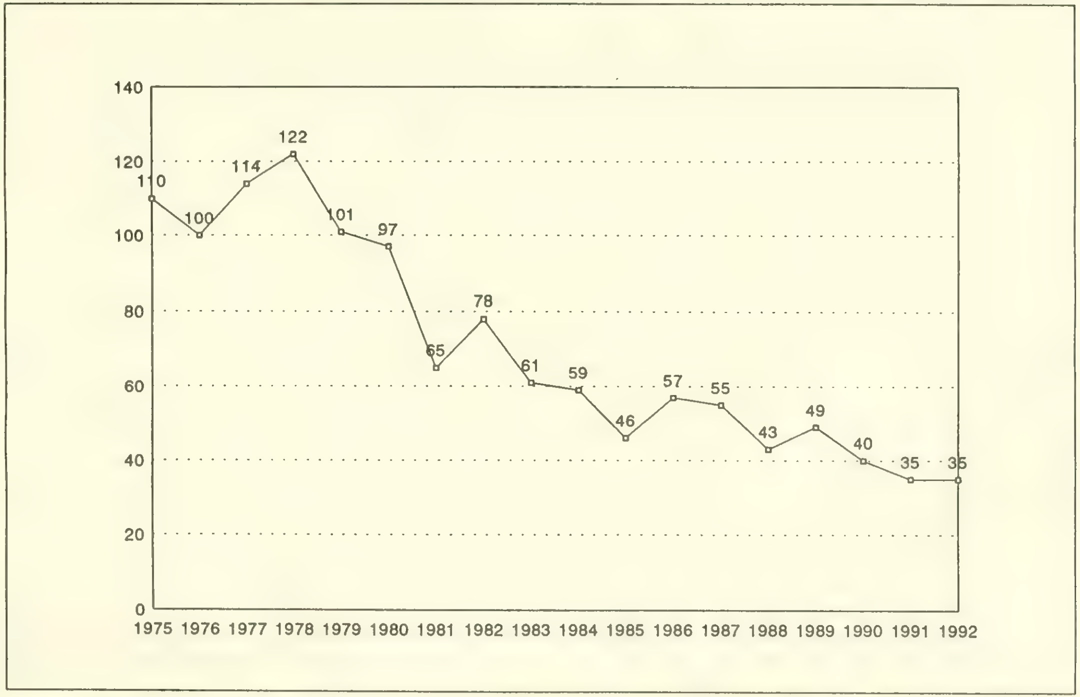
1992 EMPLOYEE ON DUTY CASES

All Accidents/Incidents



Source: Accident/Incident Data
Preliminary 1992 Data

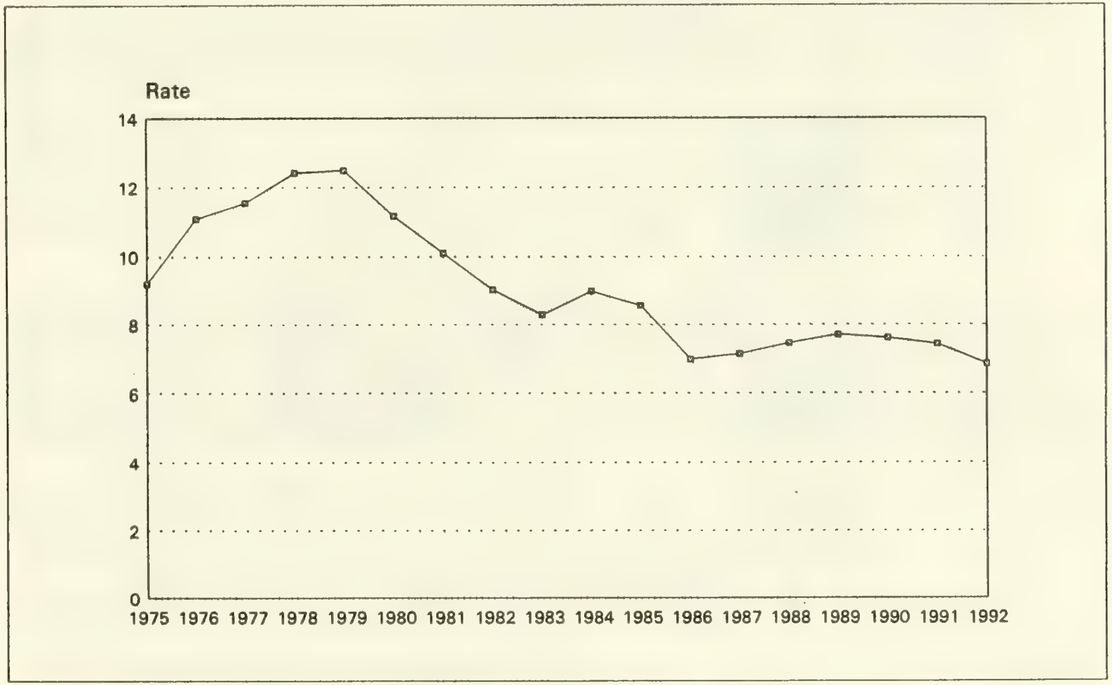
EMPLOYEE ON DUTY FATALITIES



Source: FRA Accident/Incident Data
Preliminary 1992 data

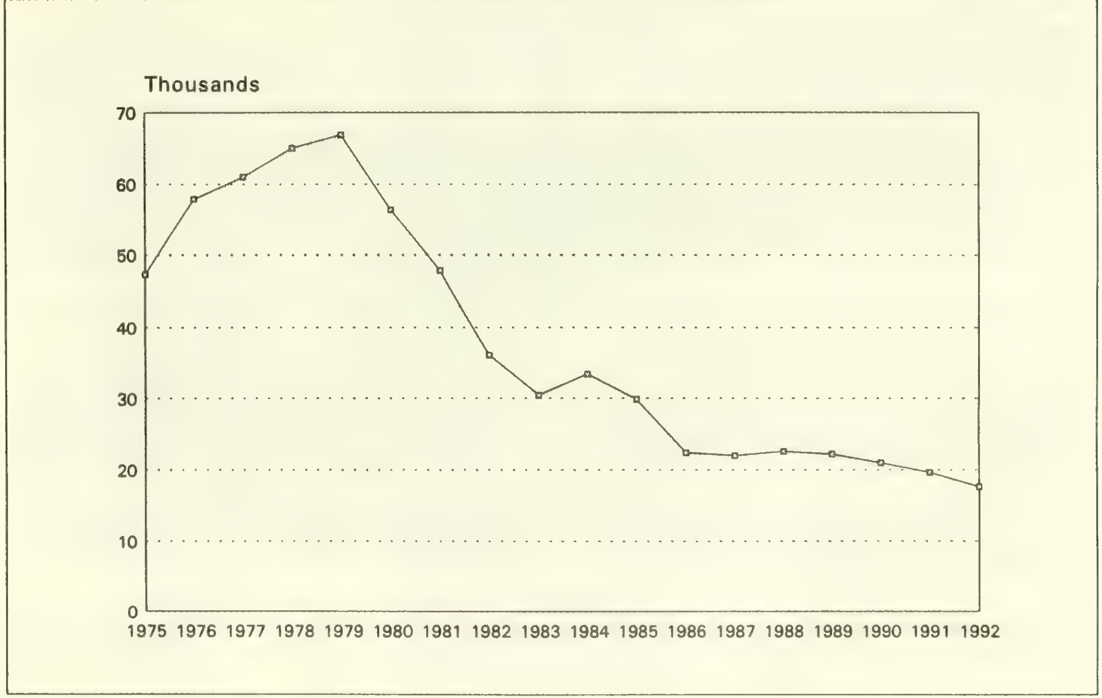
EMPLOYEE ON DUTY CASES

Rate Per 200,000 Hours Worked



Source: FRA Accident/Incident Data
Preliminary 1992 data

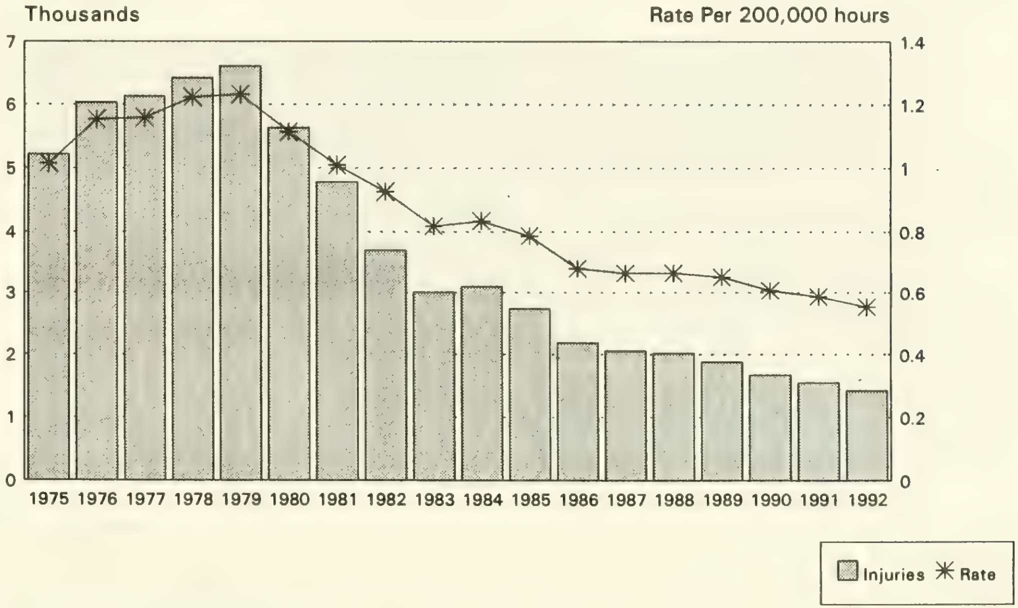
NONFATAL EMPLOYEE ON DUTY CASES



Source: FRA Accident/Incident Data
Preliminary 1992 data

SERIOUS INJURIES TO EMPLOYEES

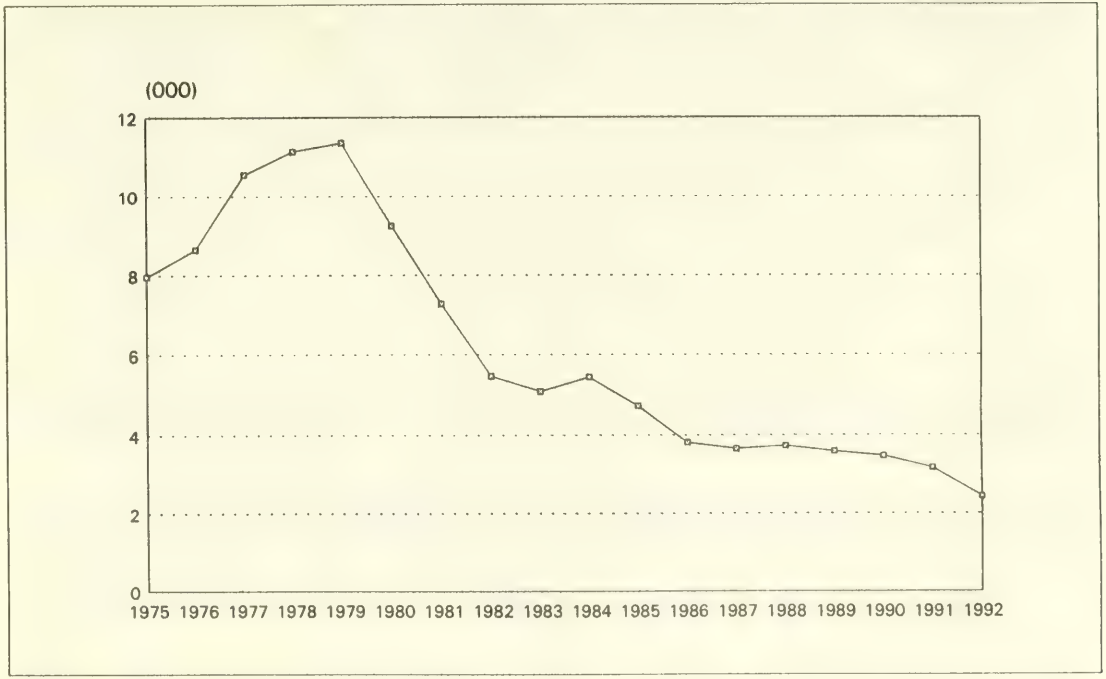
Amputations, Fractures, Hernia, Concussion,
Internal Injuries, Loss of Eye, Dislocations



Source: Accident/Incident Data
Preliminary 1992 Data

EMPLOYEE ON DUTY CASES

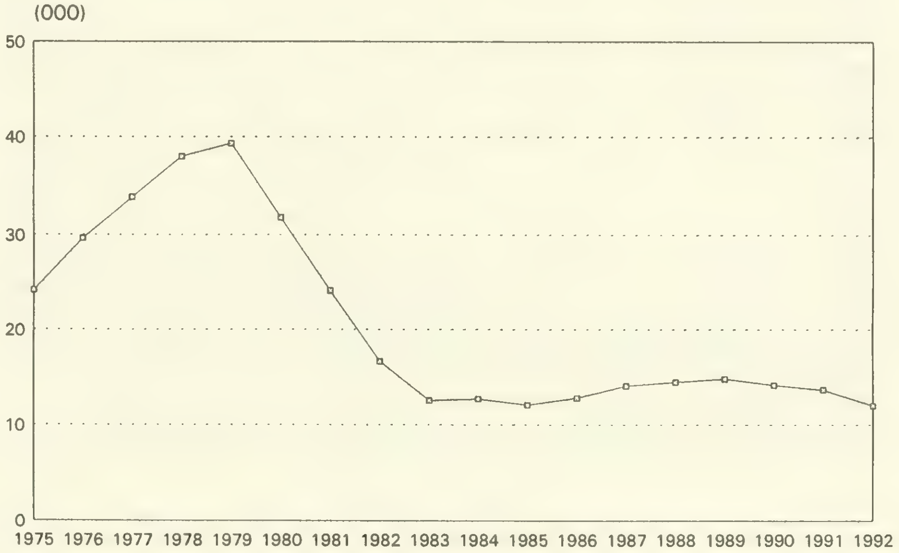
Involving Moving On-track Equipment



Source: FRA Accident/Incident Data
Preliminary 1992 data

NONFATAL EMPLOYEE ON DUTY CASES

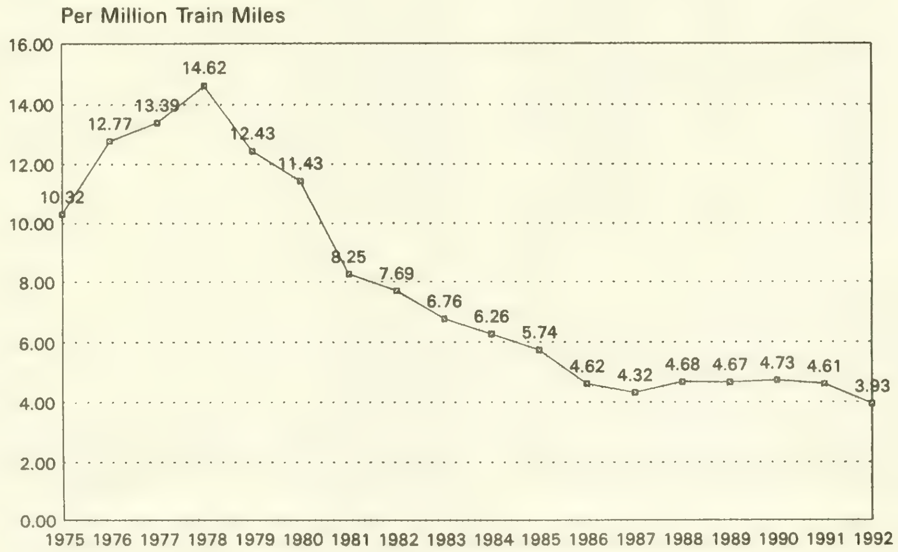
That Resulted In One or More Days Absent



Source: FRA Accident/Incident Data
Preliminary 1992 data

TRAIN ACCIDENT RATE

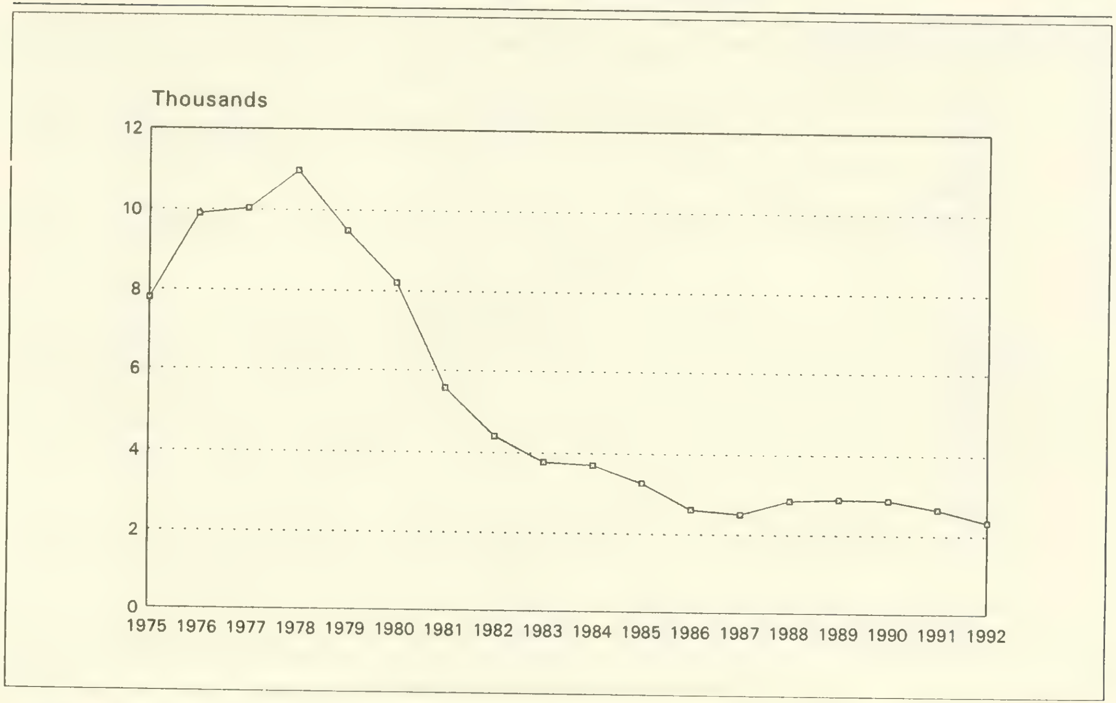
Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

TRAIN ACCIDENT COUNTS

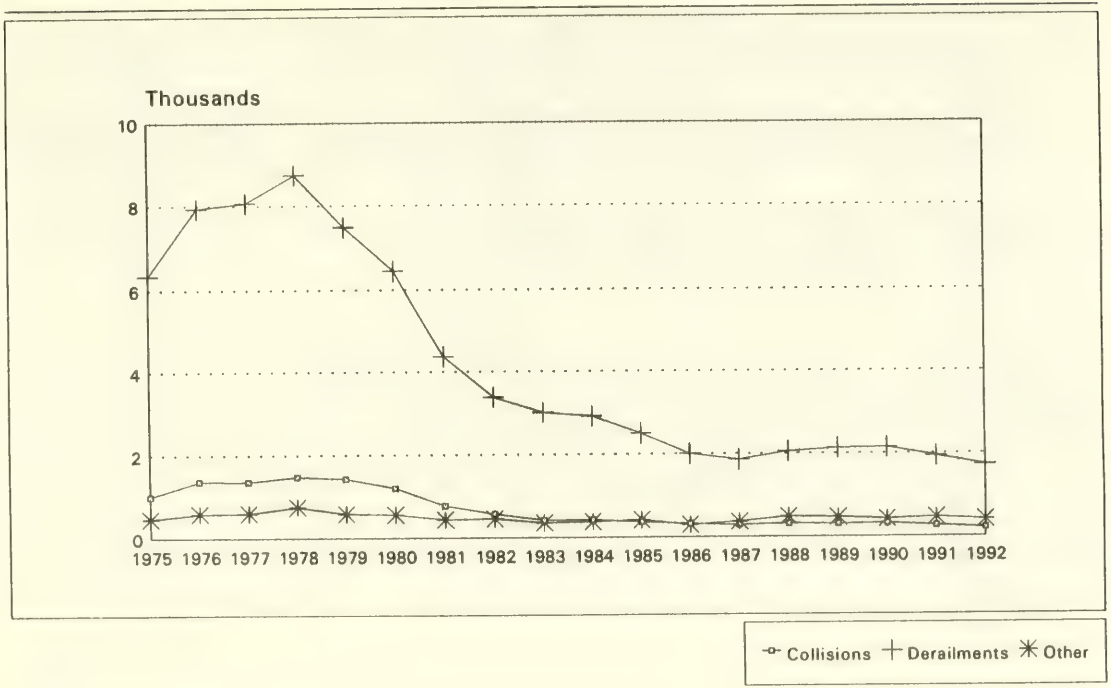
Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

TRAIN ACCIDENT COUNTS BY TYPE

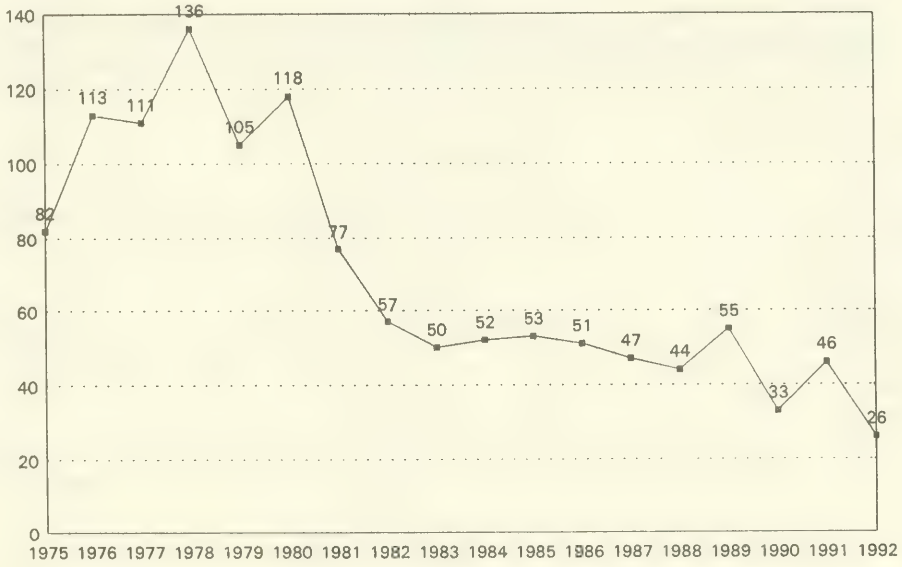
Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

TRAIN ACCIDENTS THAT RESULTED IN HAZMAT RELEASE

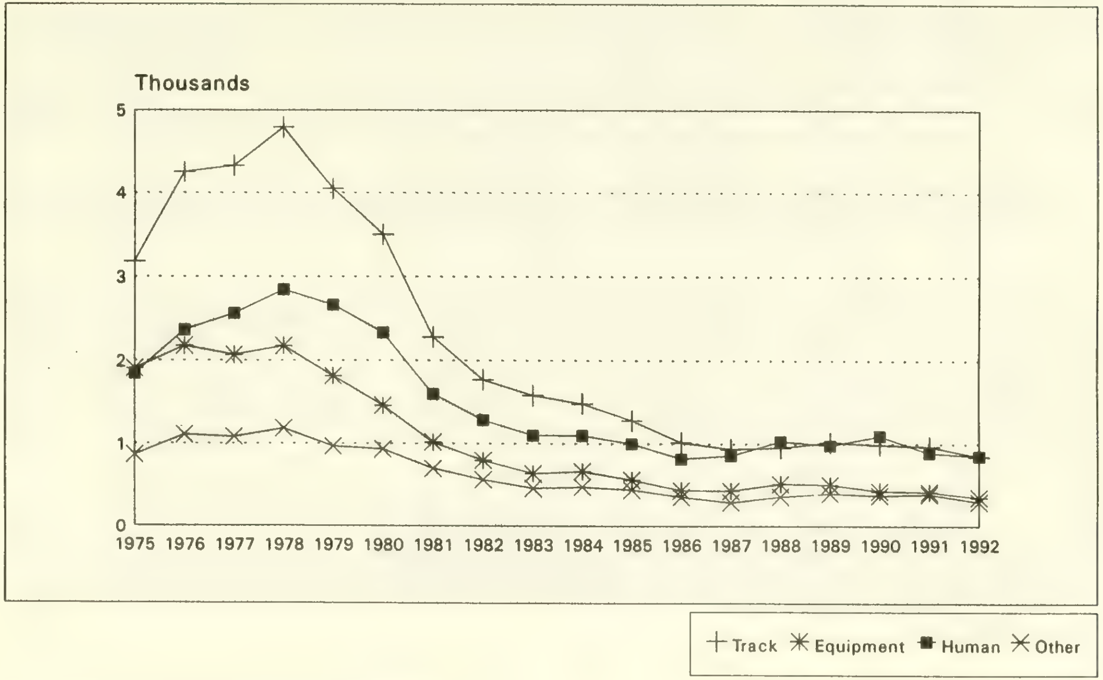
Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

TRAIN ACCIDENT COUNTS BY CAUSE

Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

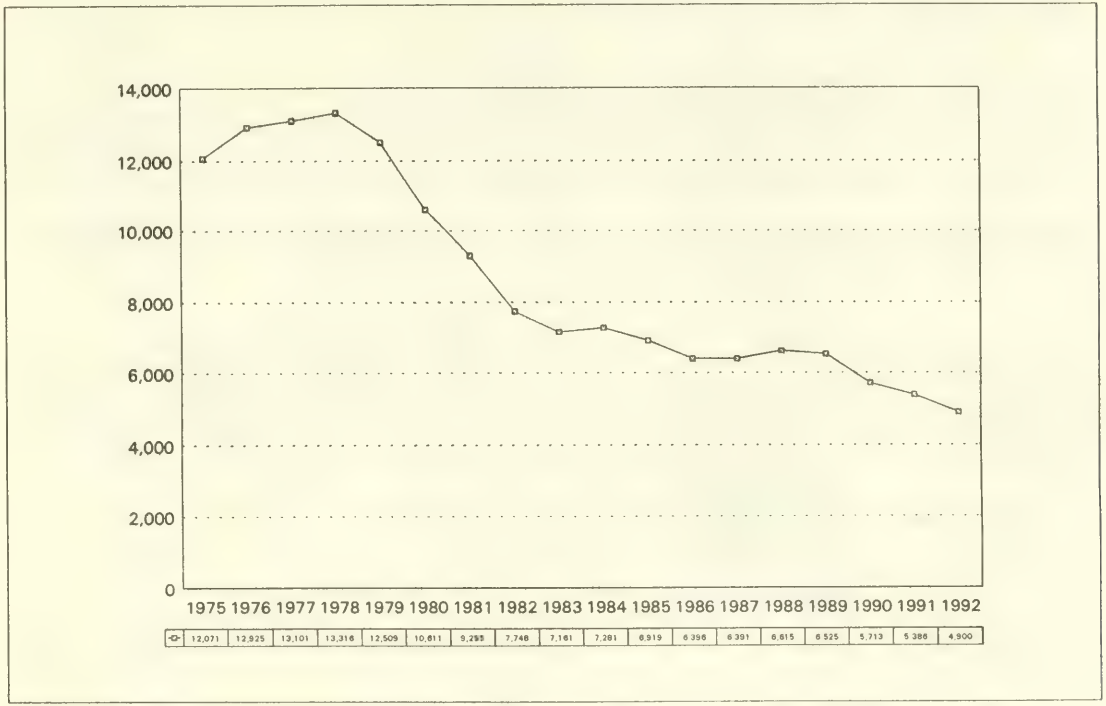
TRAIN ACCIDENT COUNTS BY CAUSE

Excludes Highway-Rail Accidents

Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Total	7,793	9,896	10,040	10,991	9,492	8,205	5,582	4,411	3,776	3,712	3,275	2,620	2,512	2,854	2,898	2,879	2,658	2,340
Track	3,175	4,258	4,337	4,797	4,050	3,492	2,273	1,769	1,581	1,481	1,279	1,016	938	952	1,019	988	968	846
Equipment	1,906	2,172	2,064	2,169	1,815	1,458	1,016	795	636	661	559	433	430	512	501	425	415	349
Human	1,846	2,359	2,559	2,844	2,660	2,323	1,596	1,284	1,101	1,098	998	816	856	1,031	982	1,096	887	851
Other	866	1,107	1,080	1,181	967	932	697	563	458	472	439	355	288	359	396	371	388	294

Source: Accident/Incident Data
Preliminary 1992 Data

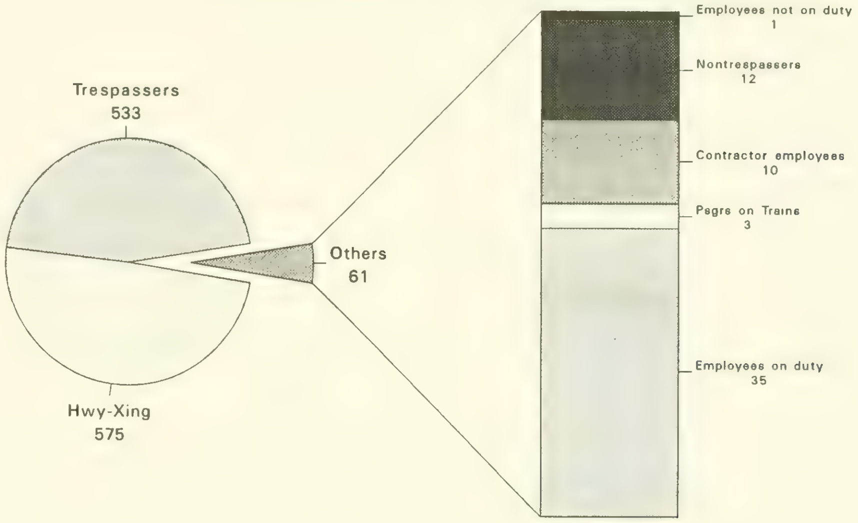
HIGHWAY-RAIL CROSSING ACCIDENTS



Source: Accident/Incident Data
Preliminary 1992 Data

1992 FATALITIES

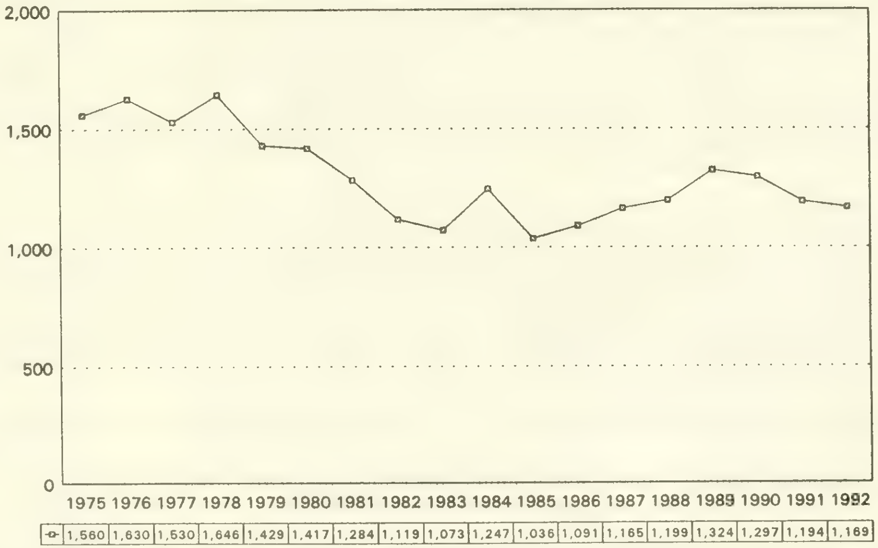
All Accidents/Incidents



Source: Accident/Incident Data
Preliminary 1992 Data

TOTAL REPORTED FATALITIES

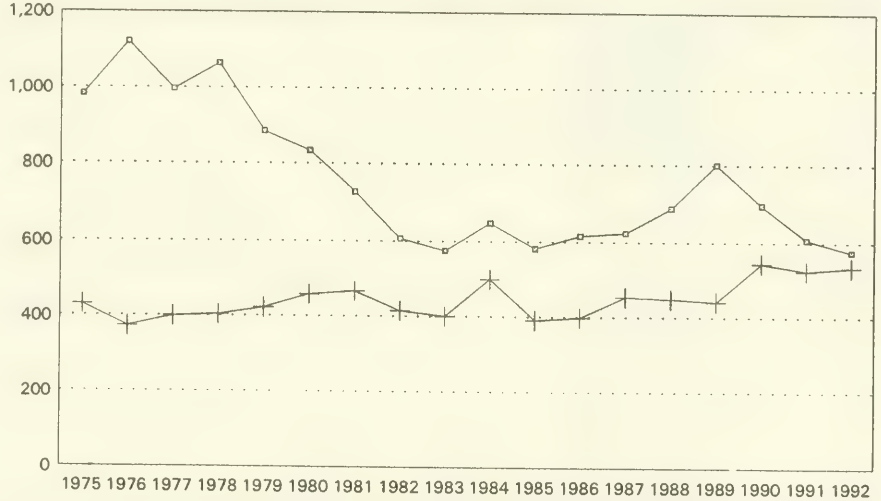
All Accidents/Incidents



Source: Accident/Incident Data
Preliminary 1992 Data

TOTAL REPORTED FATALITIES

Highway-Rail And Trespassers

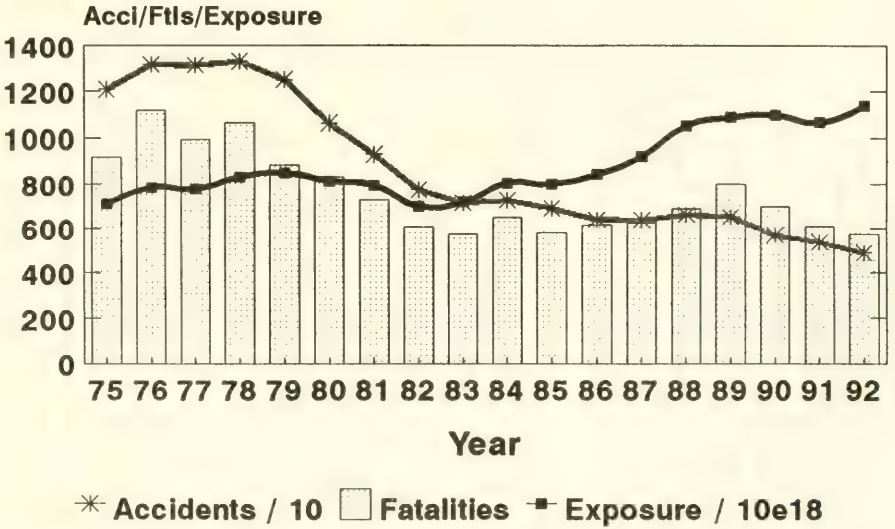


	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Hwy-Rail -□-	982	1,120	996	1,064	883	833	728	607	575	649	582	616	624	689	801	698	608	575
Trespassers +	429	372	399	403	421	457	466	414	400	499	391	398	453	448	441	543	524	533

Source: Accident/Incident Data
Preliminary 1992 Data

Highway-Rail Crossing

Accidents, Fatalities
and Exposure



Source: Federal Railroad Administration
1992 data is preliminary

RAIL FREIGHT-PASSENGER COMPARISONS

Mr. **Carr**. Thank you, Mr. Lindsey.

What is the current breakdown between freight and passenger in rail? Have you calculated that?

Mr. **Lindsey**. In terms of train miles?

Mr. **Carr**. Yes.

Mr. **Lindsey**. We do have that number. I don't have it in my head, but I can certainly tell you in terms of order of magnitude. The freight number is far, far larger than the passenger number.

Does anyone happen to have that number handy?

I am afraid we will have to supply the precise numbers for the record, Mr. Chairman, but it is probably on the order of eight or 10 to one.

Mr. **Carr**. You might give us a variety of numbers, just in terms of—we want to get a total feel. I think it is fairly obvious that rail is particularly and predominantly a freight mode.

Mr. **Lindsey**. Yes, sir.

Mr. **Carr**. I think we want to begin to collect some numbers, some data that will show how much of our rail effort is freight and how much is passenger. And if you get some historical data for us, that would be great, too.

It is quite clear with the President's initiative and the Secretary's initiative that relative portions of our rail assets going to the passenger side is being—it is being suggested that it increase, so we want to track those percentages.

You might even want to give us some advice on how we would go about measuring that over the years.

Also, we are primarily concerned in that comparison with the inter-city passenger. Rail is doing an awful lot with respect to commuter rail. We would like to get that number, too, actually, because that will help us fold in our statistics with transit. Commuter rail is regarded more as mass transit in that setting. But what we want to do is measure the inter city.

So if you can give us breakouts, we would appreciate them.

[The information follows:]

RAILROAD FREIGHT AND PASSENGER COMPARISON

Year	Train miles		Freight revenue—Ton miles [3]	Amtrack intercity passenger miles [4]
	Class I [1]	Amtrak [2]		
1991	375	34	1,038.9	6.25
1990	380	33	1,034.0	6.13
1989	383	31	1,013.8	5.91
1988	379	30	996.2	5.87
1987	361	29	943.7	5.36
1986	347	30	867.7	5.01
1985	347	29	877.0	4.79
1980	429	29	919.0	4.50
1975	403	30	754.3	3.75

[1] In millions.
[2] In millions.
[3] In billions.
[4] In billions.

Sources: Columns (1) and (2): Association of American Railroads, Railroad Facts, various years; Column (3): National Railroad Passenger Corp., Annual Report, various years; Column (4): Eno Foundation, Transportation in America, various issues.

Mr. **Lindsey**. We have a few data. Freight train miles aren't among them for all categories, but here are some that may be useful to you: freight railroads move roughly one-third of the nation's freight. There are 530 freight railroads, roughly, and I say roughly because we have entries and exits virtually weekly at the small end of the spectrum. It is a very diverse industry, ranking from Fortune 500 companies to literal "mom and pop" operations, where a family has bought a locomotive and 10 miles of track.

That certainly plays into a lot of our safety issues. Roughly 200,000 miles of track is in the freight industry and 235,000 employees.

Amtrak, by comparison, has 23,500 route miles and 24,000 employees, and carries roughly 22 million passengers annually, of whom 18 million are commuters.

For the commuter railroads, basically there are nine independent operators, with 10 additional operations performed by freight railroads. They turn in 307 million train miles annually so there certainly is a lot of activity out there.

In addition, there are some 90 operators of tourist railroads that operate on somewhat irregular schedules, usually over somebody else's track. They, too, carry a lot of people and rack up almost 700,000 train miles. It is a large and diverse industry with lots of elements in it.

One thing I might point out, in terms of the balance between freight and passenger, is that there is a great deal of capacity available on the nation's railroad system. At FRA, we have estimated that somewhere between two-thirds and three-quarters of the capacity of the system is presently unused and available. That is one of the things that draws the Administration to trying to make greater use of rail.

We have rights-of-way where huge investments have been made, and the opportunity is presented to make use of those transportation investments to meet critical national needs.

CONDITION OF RAIL TRACKS/BRIDGES

Mr. **Carr**. Each year the Federal Highway Administration reports on the condition of the nation's highways and bridges. Conversely, the FRA apparently doesn't compile or report information on the condition of the nation's railroad tracks and rail bridges. Yet, FRA routinely monitors track conditions through its track inspection program and automated track inspection in the automated track inspection program.

I guess the first question is, are you at all thinking of doing something more like the FHWA does in terms of monitoring, creating a database on track conditions throughout the country?

Mr. **Lindsey**. We do have a rather large database on track conditions throughout the country. I haven't looked at highways to see what are the similarities and dissimilarities to ours. We tend to focus on defects that we find. There are places where we think the track in question deviates from standard, and we do have that on our database and monitor it very closely.

Mr. **Carr**. Do you do it by segments? How do you——

Mr. LINDSEY. Usually that is extractable from the database by railroad in terms of defect per mile.

Mr. CARR. But how is the database constructed?

Mr. LINDSEY. I think I will have to turn to Mr. Cothen and ask him to address that.

Mr. COTHEN. Mr. Chairman, we have a couple of pertinent databases. We have an inspection database which describes what our track inspectors find in the field every day, and it is by location, county, railroad milepost division, and permits us to use those data to drive the National Inspection Plan, among other factors, and also for ready reference when we are going to go back to that area.

The second principal database that may be useful is the automated track inspection program. We survey in excess of 20,000 miles of high density freight routes and Amtrak routes every year. And, as a result of the express interest of the Committee, we are in the process of putting some of that data together to see what information we can glean on a trend-line basis.

The information is gathered for the purpose, obviously, of compliance and for focusing on specific problems on specific line segments. However, I think we would find it reasonably useful in providing some overall information concerning the condition of track with this caveat: Our focus obviously is safety, and in many cases safety objectives can be achieved by lowering the speed on the particular track segment if there are issues arising or if there is deterioration occurring. By reducing those dynamic axle loads, you reduce or eliminate the potential for an accident which might have occurred at higher speeds.

So there is a factor there that is somewhat imponderable. That is, at what speeds are the carriers attempting to operate on that infrastructure and, of course, it is privately-owned infrastructure. Our interest is not so much what investments are required in the future to operate at current speeds. That is dictated by the marketplace. But rather our interest is the safe operation of those lines.

We can certainly provide, I think, some useful information that would be helpful, but understood with the appropriate caveats applied to it.

[The information follows:]

PHYSICAL CONDITION OF THE NATION'S TRACKS, EQUIPMENT AND BRIDGES
1991

STATUS OF ROAD

Class I Railroads:

Since the Interstate Commerce Commission's change to depreciation accounting for track structure in 1983, Class I railroad capital expenditures on an annual basis have increased slightly; however,[1] way and structure maintenance expenditures rose 67.6 percent. The higher maintenance expenditures have been applied to a shrinking track base, with total track miles down more than 24 percent since 1983. Track inspection data confirm a much improved track structure, while reported train accidents due to road defects have declined by about 39 percent.

	1991	1983	% CHANGE
Miles of Road and Track Owned	196,081	258,703	-24.2
Expenditures **Per Mile of Road and Track Owned** (**in constant 1991 dollars**)			
Capital Expenditures (Per Mile)	$12,082	$12,045	+ 0.3
Maintenance (Per Mile)	26,601	15,875	+67.6
Train Accidents			
Road	968	1,581	-38.8

Non-Class I Railroads (Shortlines):

There is very little statistical operating and financial data available for shortlines. These non-Class I railroads have been exempt from filing such data since 1981.[2] Based on available

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[1] Railroad classifications are established by the Interstate Commerce Commission (ICC) and are based on indexed operating revenue levels. For 1991, a Class I railroad had operating revenues equal to or exceeding $96.1 million; a Class II railroad had operating revenues of less than $96.1 million but in excess of $19.2 million; and a Class III railroad had operating revenues of $19.2 million or less. By ICC definition, all "switching and terminal" railroads are classified as Class III, regardless of operating revenue levels.

[2] ICC Docket No. 37523, *Reduction of Accounting and Reporting Requirements*, served December 15, 1980, (46 FR 9114) eliminated accounting and reporting requirements for Class III

information, largely from industry trade groups, this segment of the railroad industry has grown since deregulation in 1980 by over 250 carriers to 522 in 1991. The vast majority of shortlines have operating revenues under $10 million. The number of miles-of-road-owned in 1991 was about 31,000. The impact of deregulation through the Staggers Rail Act of 1980 contributed significantly to the strong growth in shortlines by eliminating much of the regulatory burden on the rail industry.

FRA has examined shortline railroads in two studies. The first, dated February 1989, sought to estimate the level of deferred maintenance and delayed capital improvements. While the report noted that "many small railroads do not require any significant rehabilitation to remove the effects of deferred maintenance and delayed capital investments," it concluded that "...the total rehabilitation needs to remove the effects of deferred maintenance would exceed $600 million."

In a second study, dated January 1993, FRA conducted a survey to determine the need and demand by Class II and Class III railroads for Federal loan guarantees. Of the 339 responses, only 118, or 24 percent, indicated any interest in obtaining loan guarantees for track rehabilitation and financing locomotives and rolling stock. These railroads indicated that they would need to spend $1.77 billion through 1995 to maintain and upgrade their systems to the appropriate level for existing and anticipated traffic. However, only $1.33 billion of these spending requirements can be funded, leaving a shortfall of $440 million, mostly for track rehabilitation. Despite the funding deficit for track structure, the respondents indicated they did not expect to experience problems with financing locomotives and rolling stock.

In a majority of cases, shortline railroads tend to be small; they operate at low speeds; and they have minimal, if any, involvement in passenger service.

STATUS OF EQUIPMENT

Since 1983, the fleet of freight cars and locomotives in service has declined significantly, due primarily, to a more efficient use of rolling stock. The total fleet of freight cars in service declined from about 1.5 million in 1983 to less than 1.2 million by 1991, a drop of 25 percent. Almost all of the decline in the equipment fleet was recorded by Class I carriers while the fleet of

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railroads and Docket No. 37614, *Elimination of Accounting and Reporting Requirements of Class II Railroads*, served February 25, 1982, (47 FR 6879) eliminated accounting and reporting requirements for Class II railroads.

the non-Class I railroads, car companies and shippers remained fairly constant. Locomotives in service operated by Class I carriers likewise dropped sharply over this same time period, from 25.8 thousand units to 18.3 thousand, a decline of about 30 percent. While capital expenditures for equipment rose significantly as Class I railroads added larger capacity cars to their fleets, maintenance expenses of equipment for the Class I carriers declined by about 23 percent, due primarily to lower numbers of cars and locomotives in service. Equipment inspection data confirm a much improved level of equipment performance. Reported train accidents due to equipment defects have declined by about 35 percent between 1983 and 1991.

Over the years, major improvements in technology have advanced the design and performance of rail freight equipment. Significant among these are the improvements in wheel design, bearings, braking systems and other safety systems. In addition, FRA has required mandatory inclusion of head shields on certain types of tank cars. The incident of reported cars out of service has likewise declined as rail carriers have retired their older equipment and maintained a fairly active program of upgrading their fleets.

	1991	1983	% CHANGE
Equipment Expenditures (in constant 1991 dollars)			
Capital Expenditures (billions)	1,068	615	+73.7
Maintenance (billions)	6,300	8,203	-23.2
Train Accidents			
Equipment	415	638	-35.0

STATUS OF RAILROAD BRIDGES

There has not been a fatality caused by the structure failure of a railroad bridge since before World War II. However, modern railroad traffic is being concentrated on fewer routes with higher density. The railroads understand that loads imposed by high capacity cars can now reach the limits for which their bridges were designed. Thus, structural fatigue considerations are becoming a factor in estimating the continued serviceability of railroad bridges.

Since 1991, the FRA has been actively engaged in a program to determine the overall safety of bridges that carry rail traffic. The program has focused primarily on the bridge management practices of all major railroads, and many shortlines. It does not include a bridge-by-bridge inventory of conditions. An important element of information being developed is the nature of each railroad's bridge inspection program, i.e., the frequency at which bridges are inspected, the amount of detail included in the inspection, and the qualifications of the inspectors and their supervisors.

Without exception, all major railroads have comprehensive bridge inspection programs in place. FRA is taking appropriate action to insure that bridge inspection programs are followed.

On smaller railroads, there is a wide variance in the quality of bridge management programs and bridge conditions. The traffic levels on these railroads are typically much lower than on the larger carriers, and the bridges to be managed are much fewer in number. FRA does not see an immediate widespread problem with the smaller railroads.

TRACK CONDITIONS BY RR CLASS

Mr. CARR. I welcome that. It is clear it is a bit of an apple/orange comparison, except that you have large chunks of geography and large chunks of rights-of-way, and the—I think the speed, if it is not important to the company, I can't imagine it wouldn't be, but it is certainly important to the overall economy and how efficiently are we moving goods across America is one that we are concerned about.

And I would just ask that some of your folks take some time and talk to FHWA about their program. It is called the HPMS. That stands for Highway Performance Monitoring System. That is their database.

Mr. COTHEN. I might add, Mr. Chairman, our Policy Office has been working on a system to use data reported by the railroads in their R–1 reports by track class with respect to the investments that are made in those classes. That data may also be helpful to monitor the investments, the inputs that are being made into the system.

Mr. CARR. And the Volpe Center has been doing a lot in this area, too. I suppose everybody is in a modal prison, and we are trying to get people to think outside of that. Somewhere down the line we hope that we can have the kind of data that will allow cross-modal comparisons.

And of course there is a huge invitation to compare rail with highways or rail with—in the passenger sense with airlines, things like that. And we need to begin collecting data that will give us the answers to those questions in the future.

So it would seem that one of our R&D efforts—maybe I am jumping ahead here a little bit—but one of your R&D efforts ought to be to figure out what the database ought to look like, what a record in the database looks like, how many fields and what are they named, and how does that correlate with what the FAA, the FTA and the FHWA will be doing, so that we can begin to get some cost-benefit analysis that goes across the modes.

Give us your brief overview, based on whatever data you have that is available to you, what your opinion is of the overall physical condition of the nation's tracks and bridges?

Mr. LINDSEY. Overall, Mr. Chairman, I think it is safe to characterize them as in historically excellent condition. I have talked with members of the staff knowledgeable in the area and have the sense that the system overall is in the best condition that anybody can remember. There are, however, exceptions to that.

For example, there are large amounts of what we call excepted track on many of the smaller railroads. This is track that is, as the title suggests, excepted from most of the safety standards.

HAZMAT is limited to five cars per train and passengers are not permitted. We are reexamining that category in the rulemaking we are presently conducting on our track standards, but I would say the presence of as much excepted track as we have is the principal exception to the generally excellent condition of the nation's railroad tracks.

A quick measure is the rate of accidents caused by track failures. It is extremely low. It is at the lowest rate of accident causation that we have on record. I think that is a very good indicator of the general condition of the track.

Grady, would you like to supplement that?

Mr. COTHEN. Just to concur, Mr. Chairman, the class I railroads, high-density lines are maintained very well as a result of massive capital investment, installation of continuous welded rail, heavy rail sections. This is a happy circumstance resulting from the shakeout of the Northeast and Midwest systems. But we still struggle with some carriers in the class II bracket, one or two in the class I bracket, and with some small railroads that do not have the revenues to support the kind of investments that they would like to make in their track structure. And, of course, the important thing is to ensure that the operations fit what is there—that they are operating safely.

Mr. CARR. Do you keep track of how much capital is expended on track and bridge improvements every year?

Mr. COTHEN. There are data reported to the Interstate Commerce Commission which are analyzed by our Office of Policy, and, at their invitation, we are looking now at how we can use that data perhaps to better target our safety program. Yes, that data is analyzed and used within the Office of Policy. The data on class II and III railroads is very fragmentary.

CAPITAL INVESTMENT—CLASS I RAILROADS

Mr. CARR. Do you have any data there that would indicate what the approximate total capital investment was last year in class 1 railroads?

Mr. LINDSEY. Yes. Conveniently, that was just supplied to me. For roadway and equipment, it looks like $23,133,000,000. I am reading a little hastily. That was an 18-year total. The most recent numbers are for 1991. I suppose—that was the roadway and equipment total. Let's break that down a little bit.

The total for 1991 was $3.4 billion, and the roadway and structures portion of that was $2.369 billion.

That is among 16 railroads. Those are the class I's and 68.9 percent of their total capital expenditure going into roadway and structures.

Mr. CARR. Perhaps whatever it is you are reading from there could be made part of the record. Is that a relevant document? I don't know what it says on there, so I don't want to——

Mr. LINDSEY. It doesn't look as though there is any proprietary information. These are data extracted from the railroads, R–1s that they filed, and are publicly available. We will be delighted to submit a copy of this for the record.

[The information follows:]

CLASS I RAILROAD CAPITAL EXPENDITURES

[Dollars in millions]

	1992 [1]	1991	1990
Road:			
Communications systems		75.2	69.7
Signals and interlockers		159.1	159.3

CLASS I RAILROAD CAPITAL EXPENDITURES—Continued

[Dollars in millions]

	1992 [1]	1991	1990
All other road		2,135.1	2,415.0
Total road	2,818.2	2,369.4	2,644.0
Equipment:			
Locomotives		653.0	569.8
Freight cars		229.0	256.1
Other equipment		186.0	170.0
Total equipment	886.4	1,068.0	995.9
Total road and equipment	3,704.6	3,437.4	3,639.9

[1] Preliminary.

TRACK/BRIDGE CONDITIONS

Mr. CARR. Generally, is the overall condition of the track and bridges improving or deteriorating?

Mr. LINDSEY. Generally improving, Mr. Chairman, reflected by the downward accident trend. Certainly there are some divergences.

A note I would add on bridges: We appointed a bridge engineer a while back. We had no one specifically focused on bridges. However, we do now, and that person is responsible for building a compendium of the condition of railroad bridges nationwide, and is using other Office of Safety resources to aid in that effort, so we are improving our knowledge of the bridges.

Generally speaking, the information coming in on the bridges is that they are so dramatically over-engineered in the first place, these structures tend to last more or less like Roman aqueducts. They may be here a millennium hence. But certainly many are reaching such an age that age alone produces heightened concern, which is why we are focusing increasingly on bridges, whereas heretofore we have not.

There have been very few bridge failures or bridge-caused accidents, for example, but we are trying to stay ahead of that curve.

Mr. KRICK. On the R&D side, Mr. Chairman, we do have a joint program with the Association of American Railroads developing a device to measure the capability of the railroad bridges to handle dynamic loads that are being introduced in the railroad industry today. That is an ongoing program, a mechanism for measuring the effectiveness of the bridges.

Mr. CARR. Loads and axle weights are up, right?

Mr. LINDSEY. Generally speaking, yes.

Would you like to address that too, Bob?

Mr. KRICK. Yes, sir, they are, and it has been a continuing trend for decades, and it is a fairly slow, steady increase. Today the industry is looking at introducing 125-ton capacity cars as opposed to the standard, which has been 100-ton cars. As part of our research program, we are evaluating the effects of that increased axle load on the track structures and bridges.

Mr. LINDSEY. A note I would add is that generally, there are areas of low concern and areas of much higher concern. On the high-density network of the class I's, where you find really high gross tonnages annually, tracks and bridges are in excellent condition. We have been the beneficiaries here of systematic heavy investment on those lines for more than a decade. They are in remarkably good condition.

But as one cascades down to more lightly traveled lines, and railroads that have less in the way of capital resources and less borrowing power, our concern increases proportionately. We have real concerns about the capability to make the investments they need to make to keep up their properties.

As an example, in your own home State, there was a railroad bridge problem that was addressed through the LRFA program that we think the carrier might have been unable to address otherwise. It was a bridge that rested on wooden pilings, and a couple of the bents, which are collections of pilings, failed about a year ago. That is being addressed with funds that they would probably have been unable to raise in the private sector. That sort of thing is of some concern.

CONDITION OF CLASS II/III RAILROADS

Mr. Carr. I am real interested in this, because it seems to me that we have class II and III railroads that—particularly for bulk commodities, really perform a tremendous service, but because they don't have high-density runs and they serve low-density places, there is just no way they are ever going to be able to get the revenues to keep themselves afloat.

I mean, what is the future? They all go out of business, or they struggle with suboptimal efficiencies or inefficiencies? What does your crystal ball tell you about that segment of the rail community?

Mr. Lindsey. Generally, it is very healthy. We did a study within the past year of their borrowing capacity and borrowing needs. I don't recall all of the numbers, but I will be happy to supply the detailed numbers for the record.

[The information follows:]

The report, "Small Railroad Investment Goals and Financial Options," did find that some small carriers had spending goals that they could not meet. However, it also found that there may be more appropriate sources of funding than a Federal program. For example, state and local communities, shippers, and Class I connecting carriers share in the benefits provided by a successful shortline. These groups have provided support in the past and could play a more active role in the future.

Only 18 percent of the carriers could not meet their goals without financing from non-traditional sources. These carriers had total financing needs of $729 million ($440 million for capital needs and $289 million for refinancing existing debt). Other than refinancing existing debt, the majority of their borrowing requirements is for track rehabilitation.

FRA learned from interviews with bankers and small railroads that it is difficult for Class II and Class III carriers to secure financing for otherwise credit worthy capital projects, especially track rehabilitation projects. Railroad officials also stated that, when financing was secured, the loan term was too short, not reflecting the life of the asset being financed. The study also found that even under the most generous of terms, the carriers that could not secure commercial financing could only meet $532 million of their $729 million in unmet spending goals with some type of federal funding.

Mr. Lindsey. The general picture was that the bulk of them could meet their borrowing needs in the private sector. Although there were several hundred million dollars, as I recall about $600 million-worth of needs, that these railroads in the aggregate were unable to meet in the private sector in their view, our judgment was that about two-thirds of that sum is amenable to Federal programs of the sort we have had. About one-third probably wouldn't have qualified for any of our programs so the railroads with the latter category of needs would probably go begging under any circumstances.

LOCAL RAIL FREIGHT ASSISTANCE (LFRA)

Mr. CARR. I understand that you are not asking for any funds for LRFA this year.

Mr. LINDSEY. That is correct, Mr. Chairman.

Mr. CARR. Is that because you don't think it is a worthwhile program?

Mr. LINDSEY. No, sir. Our judgment is that it is a meritorious program. While the need out there isn't of the magnitude that it once was by a long shot, there is still a real need, and this program addresses it well. It tends to leverage State and local funds well. And I have a couple of examples from last year that I will get out in a moment, as to how that has done.

But we simply could not afford it in the current tight budgetary times. When the needs were prioritized, albeit very quickly in this much truncated budget cycle, the judgment was that these expenditures, meritorious though they are, did not make the cut.

Mr. CARR. Was that a decision at FRA or was it a decision at OMB or at the Secretary's level?

Mr. LINDSEY. It was above FRA, and I am not sure I can accurately describe where in the Administration.

Mr. CARR. Did FRA request LRFA funds?

Mr. LINDSEY. In the last Bush budget, we did not, I believe.

But, Kathy, can you straighten the record out for me there? Things got complicated enough here that I lost a bit of the scheme.

Ms. MURPHY. In the 1994 Bush budget, we did not request funds. Again, we did prioritize, we talked about it in FRA, but because of other higher priorities we were not able to include it.

When we revised the budget for the Clinton Administration, again there was some discussion, but because of other higher priorities, both within the Department and within FRA, we could not fit it in the DOT envelope.

Mr. CARR. What are those other higher priorities in the FRA?

Ms. MURPHY. Safety is generally our first priority.

SAFETY ON SMALLER RAILROADS

Mr. CARR. Didn't you tell me that safety on these railroads is of major concern?

Mr. LINDSEY. It certainly is of concern, yes, sir. Something that helps put it in context, though, is the impact of the roads that are affected. The railroads that would benefit from loan guarantees handle only 4 percent of the total rail traffic. And those that fall below the cut where they wouldn't qualify for the assistance, as I suggested, handle only four-tenths of one percent, so there is some balancing of concern.

Mr. CARR. But what is their percentage of the safety problem? Not how much they handle, but of the sum total of safety problems in rail, what percent of the problem is from these railroads?

Mr. LINDSEY. A little bit harder to quantify. They certainly have higher accident rates.

Grady, would you care to address that?

Mr. COTHEN. Of course there are many small railroads that are operated very efficiently, very safely, and with a high degree of profitability. As a group, however, small railroads tend to be somewhat overrepresented with respect to train accident rates and employee injury.

Let me note, however, that the type of accidents that tend to occur on those smaller railroads tend to be of a less serious nature, less likely to result in loss of life, serious injury or disruption or harm to the public.

We are constantly attempting to balance as best we can our allocation of resources to those carriers, as well as the class I carriers that operate at higher speeds and with greater chance that a serious event will occur.

GRADE-CROSSING SAFETY

Mr. CARR. Let's talk about grade-crossing safety for a second. Last year the FRA administrator advised the committee that grade crossing safety was the agency's number one priority.

What programs have you put in place over the last year to address the problem, and have you seen any results?

Mr. LINDSEY. Yes, Mr. Chairman, we have seen some results, although I think it is just beginning to bite, and we are trying to attack the problem on an array of fronts.

A bit of context is helpful here. We haven't been able to identify any one particular root cause of these accidents to address. It has been very puzzling and difficult. It is relatively clear when the train hits the motorist at an unprotected crossing. But it becomes more puzzling when one looks at the high percentage of these fatal accidents that involve people who went around lowered crossing gates or who, in fact, hit the train. There is a very substantial number of those so that we end up scratching our heads a good deal on how to influence the motorist to keep off the right-of-way at a time when a train is going by. We are approaching that in a variety of ways.

One is attempting to eliminate as many unnecessary crossings as we can. We have to do that largely through "jawboning". We are in as many forums as we can get talking to local officials and trying to get railroads to talk to local officials about crossings that can be eliminated, with some success. Mostly the success is measured anecdotally so far, with people coming in and saying, "I didn't realize how many redundant crossings I had in my jurisdiction, I will be glad to close them, we think the traffic flow will improve," et cetera.

We are getting some improvement there and, over a couple of years, we will have to measure our grade-crossing inventory to see how many closures we can get that way.

Then we are attempting to introduce engineering improvements in terms of grade-crossing protection and grade-crossing design. At the very bottom level, we are encouraging localities to reexamine their grade crossings and to eliminate those that are poorly designed. We have, in the last year or two had several fatal accidents that received a lot of publicity at crossings that simply should not have been there.

There was one in Kansas, for example, about which Senator Kassebaum became deeply concerned. Three young ladies got killed at an at-grade-crossing that had no protection whatsoever, and the crossing shouldn't have been there. There was a grade-separated crossing approximately a mile away, and it required only a half a mile or so of grading a dirt road over flat farmland to be able to eliminate the crossing at which the girls died. It was a crossing at which a fatal accident was fairly predictable.

We are trying to get that kind of thing stopped. At the step up from that, we are doing a good deal of R&D on improved devices to put at passively protected crossings. If people are not paying adequate attention to the cross bucks that have traditionally been at those crossings, we want to come up with something better that will give the motorist better guidance at those crossings and induce a suitable degree of caution from motorists.

At the high end, we are looking at the fully protected crossings with gates and lights to try to devise better gates and lights in several aspects. One, we are looking at why motorists might go around gates that are down and lights that are flashing. That may take several forms, from motorist impatience to belief that the device is malfunctioning. We have been studying how often those malfunctions occur.

When the gates work and there is no train present, we call that a false activation, and there is substantial concern that false activations that go on for any length of time cause motorists to disregard the warning and to go around the gates. That may be responsible for a good many of the deaths we find where people have gone around gates.

We have rulemaking under way to address inspection, testing and maintenance of those devices. We are also looking at more effective devices.

For example, with high-speed rail in mind, at accelerated speeds where any crossing is permitted, we would like to see something like a barrier that crosses the entire roadway and is interlocked with the train control system. Then we would have a high degree of assurance that motorists are absolutely precluded from being on that right-of-way if it is humanly possible to do so, when a train appears.

GRADE CROSSING DATA

Mr. Carr. How many grade crossings are there in America?

Mr. Cothen. About 285,000.

Mr. Lindsey. Thank you.

Mr. Carr. And how many of those are at grade?

Mr. Cothen. Those are the at-grade, sir.

Mr. **Lindsey**. Roughly divided in half between public and private crossings.

Mr. **Cothen**. A little more on the public side.

Mr. **Carr**. And how many grade separated crossings do we have, do you know that?

Mr. **Cothen**. We have it in the inventory. I don't have it on the top of my head, but there are a considerable number in the Northeast, in particular.

Mr. **Carr**. Perhaps you could supply that for the record.

Mr. **Cothen**. Yes, sir.

Mr. **Lindsey**. We will be glad to.

[The information follows:]

Grade Separated Crossings

Grade separated highway-rail crossings	*Total*
Public crossings:	
Railroad under	19,157
Railroad over	16,458
Private crossings	3,111
Pedestrian crossings	1,252
Nationwide	39,978

GRADE CROSSINGS—VEHICLE COUNTS

Mr. **Carr**. Now, you mentioned that you try to get these things closed by jawboning. Going back to the database here, of the 285,000 do you have some kind of a vehicle count on those? We are getting a nod behind you there.

Mr. **Cothen**. We have average daily traffic counts at each of the crossings in the inventory. Some of those are out of date, as we found out when we had a serious accident down in Florida and realized from 1988 to 1993 traffic over that crossing had tripled without any improvement in the warning system.

I think, in general, traffic counts obviously are going up because the number of vehicles on the road is going up, the vehicle miles are going up, and we are facing kind of an uphill battle.

The numbers are being driven down against an increase in exposure.

Mr. **Carr**. Maybe you could supply some of that for the record. How many of these grade crossings have two or three cars a day versus crossings that are busier. We are trying to refine our notion here of what the universe of problems might be.

Mr. **Cothen**. Yes, sir.

[The information follows:]

VEHICLE COUNTS AT HIGHWAY-RAIL CROSSINGS

Vehicle counts are available for the more than 170,000 public at-grade highway-rail crossings in the Nation (but not for the private crossings).

AADT[1]	*Number of crossings*
1–5	2,249
6–25	16,666
26–50	17,491
51–100	17,654
101–200	16,163
201–300	12,542

AADT[1]	Number of crossings
301–400	7,603
401–500	7,539
501–600	4,954
601–700	3,638
701–800	4,171
801–900	2,674
901–1,000	3,763
1,001–2,000	16,497
2,001–3,000	9,041
3,001–4,000	5,689
4,001–5,000	4,894
5,001–6,000	3,125
6,001–7,000	2,405
7,001–8,000	2,225
8,001–9,000	1,641
9,001–10,000	1,757
10,001–20,000	6,302
>20,000	1,934
Total	172,617

[1] AADT—Annual average daily traffic.

REDUCTION IN GRADE CROSSINGS

Mr. CARR. The former Administrator said his goal was to reduce the public grade crossings by 25 percent. That would seem to be a lot. Is that a realistic goal?

Mr. LINDSEY. Yes, sir, I think it is. It is a lot, but we do believe that many are redundant. We have more than a grade crossing per mile and we really don't think that many are needed. Particularly, we find lots of places in urban settings where a lot of crossings are very closely spaced, some of which are not needed and some are not needed all the time.

In many places we could get selective closure at hours other than rush hours. That would assist a lot of people who live on those streets as well, if we could even get some of them closed part of the time.

Mr. CARR. It seems to me you have two distinct problems in rural areas. While a crossing is not used that frequently, for those who are trying to make deliveries or pickups in the rural areas, the frequency of grade crossings can be very important.

Mr. LINDSEY. Well, we realize that access for people has to be maintained, but we think that can be done with adequate traffic flow and still greatly reduce the number of crossings. Twenty-five percent may be too modest. We will find out largely by taking a run at it, I believe.

Certainly, circumstances will vary by locale, and in rural areas we have farm crossings to account for, too. Many of those we hope can be closed seasonally. Farmers may clearly need to use some of those crossings during planting season and harvesting season, but not much the other parts of the year, and we are hopeful of securing——

Mr. CARR. You want to tell the farmer that?

Mr. LINDSEY. Yes, sir. In fact, we are taking two stabs at that. We have produced some guidelines pertaining to private grade crossings that we are trying to circulate widely. We hope to have a meeting at which a lot of different stakeholders will attend in July and give us fresh ideas, tell us what we have missed, what we have gotten wrong in those guidelines. That exercise may lead to rulemaking.

Thus far, nobody has really taken jurisdiction over those private crossings and many of them are very dangerous situations. You will find circumstances where it is a private crossing, but the public crosses all the time to get to an industrial or commercial facility. The traffic levels are comparable to a major public crossing, but the public highway authorities have no jurisdiction over it because it is private. We are very concerned that those be addressed.

The other piece is public education. We continue to support Operation Lifesaver ardently. We are continually attempting to educate law enforcement agencies so that we will get more vigorous law enforcement at grade crossings. Such things as the "Trooper on the Train program" of putting a law enforcement officer on the head end of a locomotive, and letting him or her see the way drivers pop around crossing gates and race trains, is often very fruitful in getting increased enforcement at grade crossings in that person's jurisdiction.

We really are trying a multifaceted approach in as many different ways as we can think of.

GRADE CROSSING CLOSURES

Mr. CARR. How many grade crossings were eliminated last year?

Mr. LINDSEY. I don't know this; do you, Grady?

Mr. COTHEN. I don't have the number off the top of my head, Mr. Chairman. It is a small number, I can tell you that.

Mr. CARR. Maybe you can get that.

Mr. COTHEN. Yes, sir.

[The information follows:]

Based on reports received into the U.S. DOT/AAR National Rail-Highway Crossing Inventory from States and railroads, there was a net decline of 2,819 at-grade (level) crossings between December 31, 1991 and December 31, 1992. Of these, 1,783 were public at-grade crossings, 1,016 were private at-grade and 20 were pedestrian crossings at-grade.

Mr. COTHEN. May I follow up, Mr. Chairman, on the issue of the closures?

Mr. CARR. Certainly.

Mr. COTHEN. We have, after 20 years, 60,000 of those grade crossings with automated warning devices. At the rate we are going—and given the fact that, as you have indicated, many of these crossings only have very small, light density traffic over them—we will be forever solving the problem of just putting in automated warning devices with Federal-aid Highway money or ISTEA money.

In order to solve the problem, we have to have three things, I think: We have to have a strategy; we have to have legal mechanisms in place to deal with the unreasonable, or recalcitrant, where there are redundant crossings and clearly are not needed to provide access; and we have to have a very active program, we believe from the rail side, in order to get these problems addressed.

The strategy is to try to find at the State level a body that has the authority to approve not only closing of crossings, but opening of new crossings. And the National Conference of State Railway Officials, which is part of AASHTO, has formed a committee at our request to look into the drafting of model State legislation that would vest in a State-level body the authority to open and close crossings.

That is not something probably appropriate for the Federal Railroad Administration to do. We would get bogged down, undoubtedly, with every farmer who needed access to that field and with every community that wanted an extra way into the cul-de-sac. But it is very important to get that decision made above the level of local elected officials who only hear from the people who want convenient access, underscoring the "convenient" portion of that, and do not hear very often from the families of those who lose family members at these grade crossings.

From the point of view of private crossings, we think it is important to have an end to the state of nature out there with regard to private crossings. Nobody takes responsibility. The railroad tries to take responsibility, but doesn't have much leverage and in a legal sense they don't take responsibility. The holder of the right to cross that railroad doesn't take responsibility. Local highway authorities and Federal highway authorities don't take responsibility.

Somebody has to take responsibility. Forty-three people died at private crossings last year. We think that is an appropriate role under the Federal Railroad Safety Act for the Federal Railroad Administration to step up and say, "okay, let us define some responsibilities here."

So you have to have a strategy; the strategy is to try to take the limited funds that you have available and target them where they can be most useful and not try to spread them around more crossings than you have to. That means you have to close some crossings. You need a legal mechanism to do it, at the State level, and that is going to be a State level body that is vested with jurisdiction and has expertise in highway traffic matters as well as these crossing matters.

With respect to private crossings, it means the Federal Railroad Administration stepping up to the plate and maybe dealing with some farmers on occasion. They are not always happy, just like the folks in Florida are not too happy we are blowing whistles down there, but we have stepped up to the plate and said that it is an important public safety measure.

Finally, you have to have an action plan to follow through. And what we are asking this Committee for this year is a small increment of resources to spot some people out in the field who, not on a part-time basis but on a full-time basis, can drive this strategy home.

We did a study with the Federal Highway Administration back in 1986 that decided approaching this on a corridor basis is the way to go. And it has many benefits, and the railroads have shown working with many State highway authorities that it can be done, but there is a lot of resistance if that authority is not in that State-level body.

We need the Federal Railroad Administration to be out there as an advocate recognizing where these rail traffic flows are; recognizing where the higher speed rail traffic flows are, and we are going to have accidents that are of a higher severity; and recognizing where the Federal Government may wish to promote higher speed and more efficient rail passenger service.

We have to keep our eye on the ball and we have to sustain the effort. What we are saying is that we think we have a strategy, we believe that the legal mechanisms can and will be put in place, and we are asking you for a small increment of resources we think are necessary to turn that into an action plan, to show some real results over a few years.

FACTORS IN GRADE CROSSING ACCIDENTS

Mr. CARR. What have you been able to historically determine is the driving feature in a grade crossing accident; the existence of barriers, the existence of higher speed?

Mr. COTHEN. Speed itself is not a major factor with respect to the occurrence of the accident, although up to the middle speed ranges, around 40 to 50 miles an hour, it is a significant issue with regard to the severity of the accidents.

There are numerous factors that govern here. We often look at the installation of automated warning devices as the answer to these problems, and they do reduce the likelihood of an accident by about half. At the same time, about half of the fatal accidents that occur are at the 60,000 crossings, which of course have higher traffic counts and greater exposure, but where people go through flashing lights and many times around gates.

It is very important that the motorist have adequate warning that the train is coming, but it is also very important that the motorist have a mind-set that says this is an important traffic control device, I am going to comply with it, and that requires enforcement.

There are also issues with regard to credibility of the devices. Some of them we will address through the rulemaking on inspection, testing and maintenance, which our folks are back at the shop working on today and we expect to have a notice of proposed rulemaking out very shortly.

However, some of the issues with regard to credibility have to do with the installation itself. For instance, it is very desirable where you have a mix of different kinds of traffic, where you maybe have a 79-mile-an-hour commuter train and low speed switching movements and some Amtrak trains coming through, and some 40-mile-an-hour freight trains, if you have high traffic counts, that you have a constant warning time on that system.

Many of the older installations do not provide constant warning time. So the motorist approaches, familiar with the local switching movements perhaps that are more common in the morning when the motorist goes to work, only today the Amtrak train is coming through at mid-day at 79 miles an hour, and they feel it is safe to disregard that warning.

Many of the improvements that need to be made are capital intensive kinds of improvements, and that is why we say we have to reduce the number of crossings, because only then as a Nation can we afford to make the highway system and the roads and the railways compatible from a safety point of view.

Mr. CARR. Well, I guess I would agree that unnecessary crossings can be eliminated. But, I also don't want to see us get into a situation where we are, for the advantage of this particular mode of transportation, we are causing an inordinate amount of mobility problems to the other surface transportation mode. I don't think that it is necessarily fair to characterize it with the use of the word "convenience."

That is a term that bothers me. That is a very relative term. If you think about every movement in America being some kind of an economic transaction, we ought to try to make them all as convenient as possible, because that is going to lower the transportation overhead in our economy. And convenience seems to me to be a very important thing to do.

Safety is also important, but convenience is a value-laden relative term. Convenient for whom? Convenient for the railroad? Convenient for the motorist? You know, I think transportation movements are, by and large, economic transactions and we ought to maximize the amount of transactions we have. We ought to applaud congestion. Figure out how to sort it out, but we ought to applaud the fact that there are movements going on that need to be sorted out. If you had a dead economy, you wouldn't have congestion.

So I am wondering to what extent your research and development efforts have branched out and looked at this whole new area of IVHS and its applicability to helping solve the road-rail conflicts. It seems to me, as you pointed out, if you have good, reliable information at a crossing, something that gives you information you have confidence in, you are much more likely to heed that kind of information.

I think we have all come upon a rail crossing where there are lights flashing and you can look to either end of the track and see the horizon and you are just not going to wait. On the other hand, if you know, through some kind of signage and signalization, that the train is within 30 seconds of your spot, at that point, 30 seconds doesn't seem like very much and you are more likely to heed the warning. On the other hand, if the signal tells you that the train is two-and-a-half minutes away, well, my goodness, a lot of cars can get through that, get across that track in two-and-a-half minutes. It is trying to provide information. Have you looked at this area as the R&D effort looking at IVHS technology?

Mr. KRICK. Taking the constant warning time first, research back in the 1970s developed a constant warning time technology to use on railroad crossings that had different speed ranges for the trains using it. As Mr. Cothen mentioned, the real issue is implementation costs on putting those types of things in on existing crossings.

The IVHS technology offers an opportunity, I think, for looking at some new advanced ways of communicating. It has been proposed, for example, that some sort of a radio device in a car could be used, at a frequency tied into a communication device at the crossing that would trigger when the train is approaching, and it would tell the automobile driver that a train is approaching without having to rely on external noise, such as lights, whatever.

The problem there is, that to have something like that really effective and that you could rely on, you would almost need all the cars and all the trucks and buses to have that type of a device on it. That kind of an approach is being examined.

We are also looking at a number of other things to try to improve the perception that a crossing devices are reliable devices. We have a research program going on now which looks at what they call "loss of shunt," which is a circuit closure in the railroad track that triggers the signal to make the gates go down and the lights to flash and so on. There have been cases where the gates would go down and, as the train approaches, the gates go back up while the train is still in the circuit. That gives a loss of confidence by the driver that the things are really working right. We have research going on as to why that is happening and what can we do about keeping that from happening.

Mr. LINDSEY. A related matter, Mr. Chairman, that your comments raised in my mind, is the motorist's perception. We have had some research results introduced in testimony in some of our rulemakings that indicate as objects that are approaching get larger, people's ability to estimate the speed at which they are approaching diminishes dramatically. Something the size of a locomotive is evidently very hard for someone to gauge, whose judgments of speed are based on something the size of an automobile. Apparently drivers consistently underestimate how fast locomotives are coming, and there is some thought that because of that misperception, some of them drive out in front of trains when, if they really understood how fast the train was coming, they would not do so.

Mr. CARR. Well, it seems to me you should be looking at some of this IVHS technology and doing it very aggressively, because the technology is fairly off the shelf. It would have to be adapted, but if you can, it would seem to me to offer potential. Let me ask this question: What does a full set of state-of-the-art grade crossing safety devices cost today?

Mr. COTHEN. Of course, it depends on a lot of factors, but $150,000 would certainly not shock anybody on a bid basis.

Mr. CARR. Now, you see, it would seem to me the electronics that are available today, you could actually post a sign right next to the track there that would actually tell the motorist there is a train approaching, give an arrow from what direction, tell the motorist exactly what speed, and the estimated time of arrival at that intersection. And that is not sophisticated technology.

I think the bigger challenge probably would be how do you weatherize it; how do you make it tamper proof. I mean, you can have radar that opens supermarket doors. We have seen an explosion in video and radar technology that is able to detect in all-weather situations with a high degree of reliability, and it seems to me if we can have smart highways and smart cars, we should be able to have smart railroad tracks and smart crossings and that should be part and parcel of what we are doing in terms of research.

My guess is that the costs may be initially significant, but ultimately, over a market of 285,000 grade crossings, there is somebody out there that would love to sell 285,000 items to help solve this problem. But do I take it your R&D efforts don't point in this direction?

Mr. KRICK. We don't specifically have a R&D effort addressing the IVHS application. We can certainly take a look at it.

The other R&D that we have going on is addressing conspicuity issues: being able to see the locomotive coming, particularly at night; being able to see the side of the train at night. Those kinds of issues.

The sound issue, hearing the whistle blowing in cars that are now air conditioned, with the radios turned up loud, and those kinds of issues, we are taking another look at that, but we can certainly take a look at the IVHS technology and see what opportunities are there for improvements.

FATALITIES BY STATE

Mr. CARR. Well, that is kind of proposal that would, for R&D, that would find a lot of favor with this Member of Congress; that is, FRA keeping pace with what is going on in the rest of transportation and being innovative about it.

Close a crossing where you can, but my guess is that the bigger payoff is going to be in trying to figure out how to make the crossings we have provide more reliable information to the motoring public.

Now, based primarily on data for 1991 provided in last year's hearing, 10 States accounted for 50 percent of the grade crossing fatalities. I am wondering if these States account for a similar percentage this year, and maybe, if you can, you can give me some indication of why you think some of these States seem to have a particular problem.

For example, in 1991 Texas was ranked number one with 66 fatalities. Well, of course, Texas is a very large State, probably has a large number of relatively uncontrolled crossings, large rural areas, and it has a lot of people, so you would expect it to be near the top. Nonetheless, California, ranked number six, with 29 fatalities, and a lot of California is rural, too.

So why, comparing those two States, why would California, say on a per capita basis, be so much better than Texas?

Mr. LINDSEY. I am not quite sure we know why. Grady, do you have the current data for 1992?

Mr. COTHEN. California, 1992, 32 fatalities; Texas, 59; Ohio, 47; Indiana and Illinois are always up there.

In general, the problem is overwhelmingly a Midwestern and Southern problem; to a lesser extent, other regions of the country. It has to do, I think, with the extensiveness of the rail networks in those areas, the extent to which public authorities have been facilitated by the topography in making investments that would separate railroads and highways, and also in terms of the public investments that have been made.

Florida, for instance, is a very high risk State, potential for more fatalities, and had 27 in 1991; preliminary data for 1992, seven. Florida has made a lot of investments in automated warning devices. So it is really a combination of factors. Certainly, some of those that the Chairman mentioned and——

Mr. CARR. Well, maybe you can give us a little spreadsheet which would rank them in absolute numbers, numbers per capita, numbers of crossings and miles of track and other interesting parameters that would begin to help our analysis. Somebody could then look at that spreadsheet and begin to see if there is a particular complexion to the problem.

All of which is to say, if we do get into something where we are increasing the speed of trains, then we apparently have to be somewhat concerned from a safety point of view?

Mr. LINDSEY. Yes, sir.

U.S. TRAIN SPEEDS

Mr. CARR. What is the average train speed in America today?

Mr. COTHEN. The Association of American Railroads provides some information on that. I don't have it with me, Mr. Chairman. Freight train speeds, line hauls all generally range 40 to 50 miles an hour. Intermodal trains have higher speeds. Locals, switching movements, obviously, much lower speeds.

Mr. CARR. Is there any movement by freight railroads to try to increase their average operating speeds?

Mr. COTHEN. Average operating speeds are increasing as a result of the growth of intermodal traffic. And in order to compete in that market, they are going to have to provide higher train speeds. Train consists are made up in a way that are more conducive to operation at higher speeds.

Mr. CARR. So, generally, we can say there is an effort nationwide to increase train speeds; is that a fair statement?

Mr. LINDSEY. Yes.

Mr. COTHEN. Yes, with respect to intermodal traffic, Mr. Chairman. In fact, with respect to general merchandise traffic and certain unit train movements, but particularly general merchandise traffic, some of the trains have actually lowered train speeds. They decided they were more fuel efficient to move at slightly lower speeds. In some cases, they have identified key trains carrying hazardous materials that operate at lower speeds. I think it is kind of dangerous to over generalize, but, on average, yes, we are going to see average higher train speeds because the intermodal segment is a bigger part of the market.

Mr. CARR. Well, before I go on to another section, I would recognize my good friend from Virginia, Mr. Wolf.

STATES WITH BEST RECORDS

Mr. WOLF. I thank you, Mr. Chairman. I apologize for being late. I was at a breakfast and another meeting, and I don't want to cover too many of the same points.

What States are doing the best? And I guess that is really a hard question to answer because, as the Chairman was just saying with regard to Texas, you have much more mileage, track mileage than you do in Rhode Island, obviously. But if you were to compute all those together, what group of States are doing the best and is there a reason?

Is it because State laws, model laws, are being developed? I have developed a greater interest in this in the last year because my district has dramatically changed. Up until that time, I basically had little railroad mileage in my district. Now I have quite a bit. I go out to the Shenandoah Valley and out into Page County and places like that, and I guess I was not as aware of the grade crossing problems, but almost every Friday or Monday or weekend when I am out there, I come across a situation that if you were not really alert, you could get killed very, very easily. There are no gates and things.

So what States are doing the best based on mileage and all those things? You can elaborate more for the record. But is it because they have model laws, or tougher enforcement, or just purely a matter of luck?

Mr. **Lindsey**. I think we will have to elaborate for the record, but Mr. Cothen may be able to take a rough stab.

Mr. **Wolf**. If you had to say that is a great State, is there a State that sticks out in your mind; that they have a lot of railroad track mileage but they are doing very well?

Mr. **Lindsey**. None sticks out for me. Certainly Mr. Cothen mentioned Florida had a great number of improvements in this last year, which seems to bear out the heavy investment they have made in active crossing protection. Certainly, we like to see that kind of thing, but it may take a longer tread line than we have, though, to get a real good measure of that.

Would you like to add to that, Grady?

Mr. **Cothen**. Mr. Wolf, I hesitate to give kudos to any particular State or group of States, but let me mention the Virginia public authorities did an excellent job in preparing for the Virginia Railway Express Service with an excellent public relations campaign. The State of Texas, where we have a very high number of fatalities, the highest in the Nation, has an excellent Operation Lifesaver effort. They are going out and trying to work on that.

Tennessee, Ohio and Kansas are all involved with the Federal Railroad Administration and the Federal Highway Administration in research and development efforts. It may, as a result of their energy and willingness to be flexible, give us some ideas for making improvements nationwide.

I mentioned the State of Florida as being active with respect to installation of automated warning devices. They have worked with us very actively and cooperatively on Emergency Order 15, which was the whistle ban issue.

So there are some excellent efforts out there of various kinds by different States facing different circumstances, and we would be delighted to provide more detail for the record.

STATISTICS BY STATE

Mr. **Wolf**. If you would, that is fine, but could you maybe submit to my office how Virginia is doing and where the fatalities have taken place.

Mr. **Cothen**. Yes, sir.

[The information follows:]

This is a large, multi-faceted problem, and it is difficult to single out a winner or best program or even a best measure, as illustrated in the following tables. Certainly the bottom line is number of accidents, but it is too simplistic to say that Rhode Island and Hawaii, each of which had zero highway-rail crossing accidents in 1992, have the "best" state programs. They also have the smallest "problems" with 356 and 6 highway-rail crossings, respectively.

On an accidents-per-crossing basis (excluding Rhode Island and Hawaii), Nevada is the "winner" with Wyoming, Vermont, New Hampshire, North Dakota, Montana, Maine, Kansas, New York, South Dakota, West Virginia and Oregon following. However, this measure overlooks population density, recognizing many states with low populations and large numbers of crossings. If crossing accidents are measured against the number of registered motor vehicles (a surrogate measure of population), a different ranking emerges. Connecticut, Massachusetts, New Hampshire, New York, Maryland, Vermont, Nevada, New Jersey, Arizona and Wyoming come out best. Nevada, New Hampshire and New York do well using both measures.

A measure of program management is the obligation rate of Federal Highway Trust Fund monies which are set aside for crossing safety improvements. Delaware, Nebraska, Pennsylvania, Louisiana and Iowa are among the leaders with practically all available funds obligated to specific projects. This is based on figures provided by the Federal Highway Administration through February 1993.

The percentage of grade separations (railroad bridges over highways or highway bridges over tracks) of all crossings in a State is a measure of long term commitment to solving the highway-rail crossing problem. Among leaders in this category are Connecticut, Rhode Island, Massachusetts, Maryland and New York, all with more than 40 percent of their public crossings separated. Nevada is well above average with 24.5 percent grade separated. (The national average is 17.2 percent.) This measure also partially accounts for the good showing of these States in some of the other measures, i.e., they have eliminated crossings and the potential for an accident at these crossings.

STATUS OF FUNDS

STATE	TOTAL AVAILABLE	UNOBLIGATED BALANCE	PERCENTAGE UNOBLIGATED FUNDS
ALABAMA	51,685,737.80	3,201,363.97	6.2
ALASKA	23,331,484.00	3,036,472.50	13.-
ARIZONA	25,735,992.00	3,059,224.35	11.9
ARKANSAS	37,621,253.00	668,799.00	1.8
CALIFORNIA	123,632,822.00	4,383,223.23	3.5
COLORADO	36,320,036.00	3,733,321.87	10.3
CONNECTICUT	17,564,325.00	1,106,359.25	6.3
DELAWARE	8,919,536.00		0.0
DIST. OF COL.	1,150,558.90	29,711.36	2.6
FLORIDA	78,821,098.00	242,522.00	.3
GEORGIA	65,551,371.00	190,207.07	.3
HAWAII			
IDAHO	20,480,412.00	1,145,466.60	5.6
ILLINOIS	136,873,801.00	587,725.23	.4
INDIANA	85,310,853.00	3,376,327.49	4.-
IOWA	66,588,061.00	32,849.26	.05
KANSAS	74,892,429.00	950,729.08	1.3
KENTUCKY	45,360,378.00	290,390.93	.6
LOUISIANA	51,498,249.00	13,017.21	.03
MAINE	16,171,038.00	989,150.05	6.1
MARYLAND	28,572,686.00	3,087,497.00	10.8
MASSACHUSETTS	36,984,723.00	3,788,899.93	10.2
MICHIGAN	96,692,480.00	192,374.33	.2
MINNESOTA	70,362,694.00	7,446,077.37	10.6
MISSISSIPPI	37,636,000.00	295,679.00	.8
MISSOURI	69,996,397.00	162,435.24	.2
MONTANA	25,808,867.00	237,567.52	.9
NEBRASKA	47,464,752.60	4,083,16	.001
NEVADA	13,369,409.00	69,741.00	.5
NEW HAMPSHIRE	10,369,097.20	420,813.93	4.1
NEW JERSEY	49,447,878.00	557,845.21	1.1
NEW MEXICO	14,832,522.74	57,109.84	.4
NEW YORK	115,874,967.00	397,228.00	.3
NORTH CAROLINA	53,260,590.00	432,338.00	.8
NORTH DAKOTA	37,504,108.00	992,103.47	2.6
OHIO	113,820,295.00	2,259,018.48	2.-
OKLAHOMA	50,746,037.00	2,402,064.17	4.7
OREGON	26,383,479.00	3,017,333.33	11.4

RHODE ISLAND	8,623,726.00	886,714.98	10.3
SOUTH CAROLINA	42,554,766.00	497,146.29	1.2
SOUTH DAKOTA	27,876,115.08	774,156.77	2.8
TENNESSEE	48,370,688.00	57,782.16	.1
TEXAS	174,083,799.00	413,683.38	.2
UTAH	20,244,677.00	2,266,559.28	11.2
VERMONT	10,523,185.00	923,689.76	8.8
VIRGINIA	45,186,962.02	4,528,444.38	10.-
WASHINGTON	48,213,873.00	2,468,485.92	5.1
WEST VIRGINIA	27,197,071.00	3,097,990.73	11.4
WISCONSIN	69,982,923.00	502,433.00	.7
WYOMING	13,526,103.00	58,642.00	.4
PUERTO RICO	6,841.89		
TOTAL	2,499,979,041.23	69,348,965.52	2.8

STATE	AT	PUBLIC SEPARATIONS		GR SEP
	GRADE	RR UNDER	RR OVER	CROSSINGS
ALABAMA	4206	486	177	13.6
ALASKA	227	11	6	7.-
ARIZONA	956	88	83	15.2
ARKASAS	3347	177	120	8.2
CALIFORNIA	8112	935	563	15.2
COLORADO	2153	198	117	12.8
CONNECTICUT	507	324	252	53.2
DELAWARE	265	47	59	28.6
DIST OF COLUMBIA	37	30	38	64.8
FLORIDA	4108	222	65	6.5
GEORGIA	6476	561	255	11.2
HAWAII	6	0	0	-
IDAHO	1600	90	67	8.9
ILLINOIS	10364	921	1912	21.5
INDIANA	7054	474	597	13.2
IOWA	5426	470	329	12.8
KANSAS	8128	350	211	6.5
KENTUCKY	2854	434	442	23.5
LOUISIANA	3994	229	116	8.-
MAINE	922	129	80	18.5
MARYLAND	711	316	207	42.4
MASSACHUSETTS	1192	795	436	50.8
MICHIGAN	5868	332	406	11.2
MINNESOTA	5471	471	358	13.2
MISSISSIPPI	3036	223	113	10.-
MISSOURI	4944	638	413	17.5
MONTANA	1550	137	83	12.4
NEBRASKA	4164	210	125	7.5
NEVADA	271	50	38	24.5
NEW HAMPSHIRE	503	118	52	25.3
NEW JERSEY	1910	534	728	39.8
NEW MEXICO	825	69	79	15.2
NEW YORK	3359	1354	1099	42.2
NORTH CAROLINA	4924	501	288	13.8
NORTH DAKOTA	4802	78	84	3.3
OHIO	7088	1113	1109	23.9
OKLAHOMA	4660	257	192	8.8
OREGON	2396	286	177	16.2
PENNSYLVANIA	5666	1556	1888	37.8
RHODE ISLAND	128	107	38	53.1
SOUTH CAROLINA	3350	381	123	13.1
SOUTH DAKOTA	2194	88	46	5.8
TENNESSEE	3427	505	472	22.2
TEXAS	13020	855	788	11.2
UTAH	1023	117	48	13.9
VERMONT	492	80	82	24.8
VIRGINIA	2355	614	464	31.4
WASHINGTON	3035	370	307	18.2
WEST VIRGINIA	2243	277	358	22.1
WISCONSIN	5124	436	323	12.9
WYOMING	533	113	45	22.9

PUERTO-RICO	24	0	0	
GRAND TOTAL	171030	19157	16458	17.2

State	No. of Acc/Inc	Vechicles Registered	--Per Acc/Inc
Alabama	196	3,857,000	.51
Alaska	8	494,000	.16
Arizona	25	2,956,000	.08
Arkansas	120	1,471,000	.82
California	194	22,743,000	.09
Colorado	45	3,268,000	.14
Connecticut	9	2,659,000	.03
Delaware	8	539,000	.15
Dist. of Columbia	---	266,000	---
Florida	109	11,386,000	.10
Georgia	177	5,708,000	.31
Idaho	54	1,105,000	.49
Illinois	273	8,004,000	.34
Indiana	270	4,499,000	.60
Iowa	145	2,833,000	.51
Kansas	101	2,112,000	.48
Kentucky	82	2,997,000	.27
Louisiana	234	3,042,000	.77
Maine	15	986,000	.15
Maryland	17	3,724,000	.05
Massachusetts	13	3,726,000	.03
Michigan	178	7,424,000	.24
Minnesota	125	3,734,000	.33
Mississippi	145	1,913,000	.76
Missouri	114	4,013,000	.28
Montana	17	826,000	.21
Nebraska	74	1,404,000	.53
Nevada	6	894,000	.07
New Hampshire	4	995,000	.04
New Jersey	40	5,747,000	.07
New Mexico	20	1,342,000	.15
New York	43	10,479,000	.04
North Carolina	150	5,265,000	.28
North Dakota	12	643,000	.19
Ohio	294	8,672,000	.34
Oklahoma	130	2,750,000	.47
Oregon	33	2,563,000	.13
Pennsylvania	83	8,196,000	.10
Rhode Island	---	695,000	---
South Carolina	102	2,605,000	.39
South Dakota	26	734,000	.35
Tennessee	119	4,623,000	.26
Texas	491	13,171,000	.37
Utah	26	1,243,000	.21
Vermont	3	479,000	.06
Virginia	60	5,069,000	.12
Washington	77	4,448,000	.17
West Virginia	44	1,251,000	.35
Wisconsin	161	3,958,000	.41
Wyoming	5	566,000	.09

State	Public at Grade	Public at Grade	Pedestrian at Grade	1992 Accident	Accident Per at Grade Crossing
Alabama	4,206	2,217	20	182	.0282
Alaska	227	108	8	10	.0292
Arizona	956	691	7	31	.0187
Arkansas	3,347	1,516	9	135	.0277
California	8,112	4,998	162	184	.0139
Colorado	2,153	1,488	7	54	.0148
Connecticut	507	364	23	17	.019
Delaware	265	168	3	8	.0183
Dist. of Columbia	37	12	11	0	0
Florida	4,108	1,493	67	107	.0189
Georgia	6,476	2,972	38	171	.018
Idaho	1,600	1,474	7	43	.014
Illinois	10,364	5,845	310	318	.0193
Indiana	7,054	3,204	88	294	.0284
Iowa	5,426	4,319	50	127	.013
Kansas	8,128	4,347	36	87	.007
Kentucky	2,854	3,089	62	84	.014
Louisiana	3,994	3,499	43	257	.0341
Maine	922	949	11	12	.0064
Maryland	711	768	11	19	.0128
Massachusetts	1,192	538	19	22	.0126
Michigan	5,868	2,845	109	186	.0211
Minnesota	5,471	3,262	53	118	.0134
Mississippi	3,036	2,105	14	164	.0318
Missouri	4,944	3,434	64	113	.0134
Montana	1,550	2,057	15	22	.0061
Nebraska	4,164	2,835	15	85	.0121
Nevada	271	247	4	2	.0038
New Hampshire	503	344	7	4	.0047
New Jersey	1,910	610	43	34	.0133
New Mexico	825	604	2	22	.0154
New York	3,359	3,214	65	55	.0083
North Carolina	4,924	3,698	50	178	.0205
North Dakota	4,802	2,137	20	35	.005

State	Public at Grade	Public at Grade	Pedestrian at Grade	1992 Accident	Accident Per at Grade Crossing
Ohio	7,088	4,190	39	289	.0255
Oklahoma	4,660	1,779	16	117	.0181
Oregon	2,396	2,948	88	53	.0098
Pennsylvania	5,666	3,467	123	111	.012
Rhode Island	128	71	-	-	0
South Carolina	3,350	1,503	13	104	.0214
South Dakota	2,194	1,375	5	30	.0084
Tennessee	3,427	2,104	29	115	.0207
Texas	13,020	6,638	33	485	.0246
Utah	1,023	807	4	36	.0196
Vermont	492	687	45	5	.0041
Virginia	2,355	3,279	50	79	.0139
Washington	3,035	3,221	90	98	.0154
West Virginia	2,243	2,709	84	49	.0097
Wisconsin	5,124	3,123	109	143	.0171
Wyoming	533	968	1	6	.004

FATAL HIGHWAY-RAIL CROSSING ACCIDENTS IN VIRGINIA

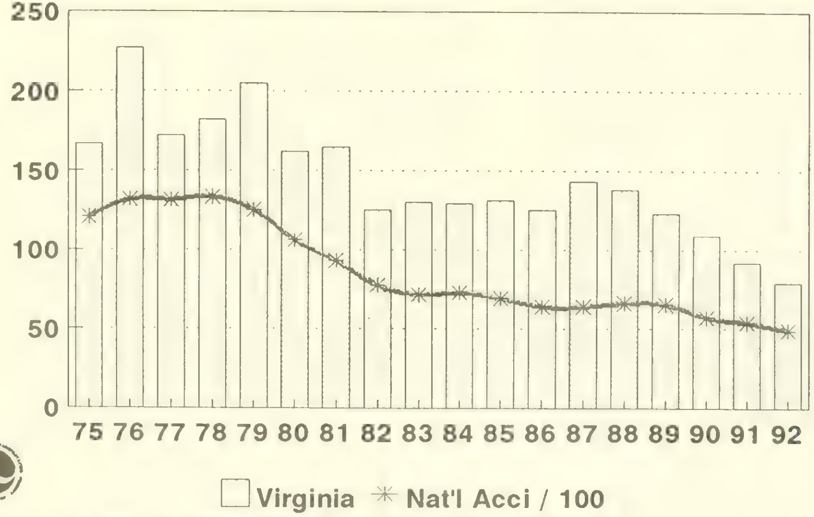
Preliminary data for 1992 indicates that the following seven highway-rail crossing accidents involving one fatality each were reported to the Federal Railroad Administration as having occurred in Virginia during 1992:

Date	Time	County	City	Street
Jan 22	7:45 pm	Henrico	Richmond	Jahnke Road
Mar 13	3:34 pm	Culpeper	Winston	private drive
Mar 13	3:45 pm	Culpeper	Mitchell	private farm
Apr 29	8:21 am	Newport News	Newport News	Bell King Road
Oct 2	4:40 am	Smyth	Mt Carmel	private
Oct 15	9:35 am	Greensville	Emporia	E. Atlantic St
Dec 23	12:50 am	Roanoke	East Roanoke	Hollins Road

The following graph shows Virginia's highway-rail crossing accident history versus the Nation's since 1975. Virginia has shown a steady decline in crossing accidents since 1987 and an overall downward trend since the late 1970's.

Highway-Rail Crossing Accidents

Virginia vs. The Nation



Source: Federal Railroad Administration
1992 data is preliminary.

HAZARDOUS CROSSINGS IN VIRGINIA

Mr. WOLF. The VRE did do a good job, although in a metropolitan area it is easier. Some of the roads in my new district I travel on now are not that heavily traveled, and I am traveling on them for the first time or the second time.

Is there a standard as to what kind of crossing there will be? Is it based on how many trains go by per hour or per day? Is there a Federal standard?

Mr. LINDSEY. Yes, sir, there is. It is a Federal highway standard in a manual labeled the MUTCD, if I remember that acronym accurately, and it spells out criteria for the use of highway protective devices of all kinds. One section deals with grade crossings and addresses the characteristics that particular crossings ought to have particular kinds of devices.

Mr. WOLF. Is that a mandate?

Mr. LINDSEY. No.

Mr. COTHEN. It is not a mandate, Mr. Wolf, and that is one of the great areas of debate, whether or not there should be warrants; that is, specifications on what kind of signage and active warnings must be provided based on traffic counts, train counts, speeds, number of tracks, number of lanes of traffic and so forth.

What we do is provide to the States information on crossing rankings in terms of hazard, based upon a model developed by the Transportation System Center, now the Volpe Center in Cambridge, and we run those numbers for any State that wants a current year ranking of the most hazardous crossings using a resource allocation formula.

Mr. WOLF. Have you done that for Virginia?

Mr. COTHEN. I can't tell you off the top of my head.

Mr. WOLF. Put that with the material you are going to provide.

Mr. COTHEN. We will do that.

Some States, by the way, have their own standards for doing the same kind of ranking. In order to receive section 130, now ISTEA, Federal Highway money, the States must, in fact, have such a system in place that identifies the most hazardous crossings.

One of our concerns about that is it tends to be on a crossing-by-crossing basis, and we think we ought to be looking, if we can, at corridors and getting some closures. And just to backtrack a little bit——

Mr. WOLF. Closing roads, you mean?

Mr. COTHEN. Closing crossings. Often that involves closing the road. Sometimes we are talking about simple elimination of the at-grade crossing by use of grade separation two blocks down, if it is warranted. But getting some of these crossings eliminated so we can afford to improve the remainder and without any significant loss of convenience to the motorist.

Mr. WOLF. Do you have a list of the dangerous crossings in the State of Virginia? Both.

Mr. COTHEN. We can give you a ranking. We just kicked out for somebody the other day the top 100 in the Nation. We can give you the top 10 or 100 or whatever you want in Virginia.

Mr. WOLF. If you would, I would appreciate that. I am interested to see if any are in my new area, but even if they are not, I think if it is in the State of Virginia, whether Norfolk or Luray, I am interested in it. So if you can give me statewide and break out those in northern and northern, western, in that area down in the Shenandoah Valley.

[The information follows:]

The following lists reflect the top 100 of Virginia's public at-grade (level) highway-rail crossings ranked by predicted accidents per year. The predictions and rankings are based on five years of accident history and other crossing data taken from the U.S. DOT/AAR National Rail-Highway Crossing Inventory. The listings also show the crossings in ascending order, by crossing number, and provide location information. A similar list is also provided for Fairfax County which has only eight crossings. The Virginia counties of Arlington and Loudoun do not have any crossings.

These data were produced by using prediction formulas developed to aid in planning highway-rail crossing safety programs. Normalizing constants used in the final step of the prediction process have been adjusted since publication of the Summary of the DOT Rail-Highway Crossing Resource Allocation Procedure - Revised, June 1987. These constants are updated periodically to reflect more recent accident experience. New constants were published in the Rail-Highway Crossing Accident/Incident and Inventory Bulletin, No. 14, Calendar Year 1991, July 1992, page 2. Values are derived from inventory and accident data contained in FRA's computer file.

Such data are subject to keypunch errors, as well as errors received on input data forms. FRA has tried to find and correct those errors, but there remains a possibility that some still exist in the data base. For this reason, users should verify the data by making on-site inspections of those crossings where prediction ranking indicates a relative high value. Erroneous data may alter accident predictions or resource allocations. Also, this is only one model: other such existing models may give different results. As with all models, there are certain characteristics which are not or cannot be included in arriving at a prediction value. These characteristics include the sight-distance at the crossing, highway congestion, and the volume of hazardous materials traffic.

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                                        TOP 100 IN VIRGINIA                          17:52 TUESDAY, MAY 11, 1993   1
                                   PUBLIC HIGHWAY-RAIL CROSSINGS
                               RANKED BY PREDICTED ACCIDENTS PER YEAR

RANK  PRED      XING     ST  RR   --> NUM  OF ACC <--  DATE   WD  TOTL  DAY   TOTL  TOTL  MAIN  TTBL  HWY HWY   URBN    AADT
      ACCDS     ID                                     OF     CL  SWIT  THRU  THRU  TRKS  TRKS  SPD   PVD LNS   RURL
                                   __  __  __  __  __
                #                  88  89  90  91  92  CHG        TRNS  TRNS  TRNS

   1  0.796203  468891P  VA  NW     2   7   2   0   0         XB     3     6    14     1     1    20  YES    2     U     806
   2  0.684156  467382P  VA  NW     0   1   2   1   0  88-03  XB    16    13    24     3     2    40  YES    2     U    1000
   3  0.333379  224551D  VA  CSX    2   0   0   0   1         XB     2     6    12     4     2    35  YES    2     U    4420
   4  0.329320  469601H  VA  NW     0   3   1   2   0         XB     0     6    12     1     1    35  YES    2     R      88
   5  0.316502  626098M  VA  CSX    1   0   2   0   0         FL     2     1     4     1     1    49  YES    4     U   31650
   6  0.306568  714346B  VA  SOU    2   0   0   0   1         FL     6    16    26     4     2    25  YES    2     U    3600
   7  0.298993  714765Y  VA  SOU    1   0   0   2   1         XB     2    14    24     2     2    25  YES    2     U     217
   8  0.298371  856075P  VA  NPB    2   0   0   0   1         FL    26     0     0     2     1    15  YES    2     U   20000
   9  0.285202  714353L  VA  SOU    0   1   2   0   0         XB     6     4     4     1     1    25  YES    2     U    3400
  10  0.259986  715248N  VA  SOU    2   0   0   0   0         FL     0     2     4     1     1    35  YES    7     U   21510
  11  0.246534  467400K  VA  NW     0   2   1   0   0         GT    22    12    23     3     2    40  YES    2     U   11300
  12  0.243157  467352X  VA  NW     1   1   0   1   0         GT     2    13    24     3     3    25  YES    2     U   10000
  13  0.224851  714382W  VA  SOU    0   0   4   0   0         XB     1     2     2     1     1    25  YES    2     R     662
  14  0.214423  623755R  VA  CSX    0   2   0   0   1         GT     2     8    18     2     1    79  YES    3     U   11250
  15  0.198753  713878B  VA  SOU    2   0   0   0   0         FL     8    16    28     2     2    79  YES    2     U    1500
  16  0.192468  623722D  VA  CSX    1   0   1   0   1         FL     0     8    18     1     1    79  YES    2     R     859
  17  0.188110  464284N  VA  NW     2   1   0   0   0         XB     4     2     4     1     1    25  YES    2     R     425
  18  0.185820  714363S  VA  SOU    0   0   2   1   0         GT     0     4     4     1     1    25  YES    4     U   17225
  19  0.183960  467359V  VA  NW     0   0   1   1   0         FL     2    13    24     3     3    25  YES    2     U     900
  20  0.181672  714289P  VA  SOU    1   1   0   0   0         FL     8     2     4     3     1    10  YES    2     R    7595
  21  0.175597  464151W  VA  NW     0   0   2   0   0         XB    24     0     0     3     1    20  YES    2     U    2500
  22  0.174944  468565L  VA  NW     0   1   0   0   1         GT    40    14    29     4     2    40  YES    2     U    5280
  23  0.171270  470471K  VA  NW     2   1   0   0   0         XB     2     1     3     3     1    35  YES    2     R     382
  24  0.169099  714770V  VA  SOU    1   1   0   0   0  88-02  GT    12    14    24     4     3    30  YES    2     U    5190
  25  0.167089  467407H  VA  NW     0   1   1   0   0         XB    18    12    23     5     2    40  YES    2     U     100
  26  0.166426  468425J  VA  NW     0   2   0   0   0         XB     2     5     9     3     1    25  YES    2     U     750
  27  0.162372  714604D  VA  SOU    0   0   0   0   2         XB     4     2     2     3     1    25  YES    2     U    1800
  28  0.161959  856101C  VA  NPB    0   0   0   0   1         FL    55     0     0     2     2    15  YES    2     U   13120
  29  0.159118  224861X  VA  CSX    0   0   1   1   0         FL     2     0     0     1     1    15  YES    5     U   11500
  30  0.157684  468594W  VA  NW     0   1   0   1   0         FL     2     4     8     1     1    15  YES    2     U    3600
  31  0.157587  714679C  VA  SOU    0   1   1   0   0         XB     0    14    24     2     2    79  YES    2     U      50
  32  0.153172  856051B  VA  NPB    1   0   0   0   0         FL    47     0     0     2     2    15  YES    3     U    6980
  33  0.151264  467381H  VA  NW     1   0   1   0   0         GT     2    13    24     8     2    40  YES    2     U    5000
  34  0.149865  857676C  VA  NW     0   1   0   0   2         XB     3     1     1     1     0    15  YES    2     U     250
  35  0.149865  857677J  VA  NW     0   0   2   0   1         XB     3     1     1     1     0    15  YES    2     U     250
  36  0.146122  860370B  VA  CSX    1   1   0   0   0         FL     4     0     0     1     0    25  YES    4     R    9155
  37  0.144494  467698A  VA  NW     0   0   1   1   0         XB     6     1     2     2     0    20  YES    2     U    1000
  38  0.142447  714771C  VA  SOU    0   0   0   0   1         FL     2    14    24     2     2    79  YES    2     U    4000
  39  0.140733  623815X  VA  CSX    0   1   1   0   0         FL     6     1     2     3     1    20  YES    2     U    3500
  40  0.138982  468019M  VA  NW     1   0   0   0   0         FL    19     6    11     2     2    15  YES    2     U    3800
  41  0.136277  467360P  VA  NW     1   0   0   0   0         GT     2    13    24     3     3    25  YES    4     U   14960
  42  0.136038  623761U  VA  CSX    0   0   1   0   0         FL     2     1     2     1     1    45  YES    5     U   16750
  43  0.135879  467890E  VA  NW     2   0   0   0   0         XB     1     6    12     3     1    40  YES    2     U     126
  44  0.134047  714073J  VA  SOU    1   0   0   0   0         FL     0     2     4     1     1    35  YES    4     U   20428
  45  0.133402  623683P  VA  CSX    0   1   1   0   0         GT     8    15    30     2     2    79  YES    2     U    1251
  46  0.133005  468013W  VA  NW     1   0   0   1   0         GT    19     6    11     1     1    15  YES    2     U    4460
  47  0.131456  469385S  VA  NW     0   1   0   1   0         GT     3     9    17     2     2    50  YES    2     U    2890
  48  0.129277  467406B  VA  NW     1   0   0   0   1         GT    18    12    23     5     2    40  YES    2     U    1050
  49  0.128474  855986P  VA  NPB    0   1   0   0   0         FL     4     0     0     1     1    15  YES    5     U   20260
  50  0.125887  530793R  VA  ESHR   1   0   2   0   0         GT     0     0     2     1     1    20  YES    4     R    7265
  51  0.124672  714764S  VA  SOU    0   1   0   0   0         XB     0    14    24     2     2    25  YES    2     U     590
  52  0.124636  467885H  VA  NW     0   0   0   1   1         GT     1     6    12     2     1    40  YES    2     U    6350
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17:52 TUESDAY, MAY 11, 1993 2

TOP 100 IN VIRGINIA
PUBLIC HIGHWAY-RAIL CROSSINGS
RANKED BY PREDICTED ACCIDENTS PER YEAR

RANK	PRED ACCDS	XING ID #	ST	RR	-->	NUM	OF	ACC	<--	DATE OF CHG	WD CL	TOTL SWIT TRNS	DAY THRU TRNS	TOTL THRU TRNS	TOTL TRKS	MAIN TRKS	TTBL SPD	HWY PVD	HWY LNS	URBN RURL	AADT
					88	89	90	91	92												
53	0.124248	467648W	VA	NW	1	0	0	0	1		GT	4	0	0	1	0	15	YES	6	U	39090
54	0.121599	465206K	VA	SOU	0	0	0	0	1		XB	10	0	0	5	1	20	YES	2	U	10700
55	0.121561	856062N	VA	NPB	1	1	0	0	0		SP	2	0	0	2	0	15	YES	4	U	6860
56	0.121276	469019R	VA	NW	0	0	1	0	0		FL	2	5	15	1	1	20	YES	2	U	5490
57	0.121020	714179E	VA	SOU	1	0	0	0	0		FL	0	4	4	1	1	25	YES	4	U	10060
58	0.117936	623796V	VA	CSX	1	0	0	1	0		XB	2	1	2	1	1	40	YES	2	R	355
59	0.117154	623668M	VA	CSX	1	0	0	0	0		GT	8	15	30	2	2	79	YES	2	U	13570
60	0.114352	714344M	VA	SOU	0	0	0	2	0		XB	0	16	26	2	2	25	NO	2	U	86
61	0.113193	467907F	VA	NW	1	0	1	0	0		XB	1	6	12	1	1	40	YES	2	R	37
62	0.112646	623663D	VA	CSX	0	0	0	0	1		GT	8	15	30	2	2	79	YES	2	U	10320
63	0.112082	714682K	VA	SOU	1	0	0	0	0		FL	0	14	24	3	2	79	YES	2	U	1250
64	0.112053	623604B	VA	CSX	0	0	0	1	0		SP	12	2	4	1	1	20	YES	3	U	3200
65	0.112025	469037N	VA	NW	0	0	0	1	0		FL	4	3	5	1	1	20	YES	2	U	7995
66	0.111236	467509B	VA	NW	0	0	1	0	0		XB	24	0	0	3	0	15	YES	2	U	3100
67	0.111236	467511C	VA	NW	0	1	0	0	0		XB	24	0	0	2	0	15	YES	2	U	3100
68	0.110042	714352E	VA	SOU	1	0	0	0	0		FL	6	4	4	1	1	25	YES	2	U	6120
69	0.109944	856082A	VA	NPB	1	0	0	0	0		XB	14	0	0	1	1	15	YES	2	U	5000
70	0.109420	467570E	VA	NW	0	0	0	0	0	91-06	XB	0	11	25	2	2	60	YES	2	R	120
71	0.107760	243857J	VA	CSX	0	0	0	2	0		SP	22	7	12	3	1	25	YES	2	R	116
72	0.106705	623654E	VA	CSX	0	1	1	0	0		XB	1	0	0	1	0	10	YES	2	R	3005
73	0.106338	714355A	VA	SOU	1	0	1	0	0		GT	0	4	4	1	1	25	YES	2	U	7630
74	0.105370	467376L	VA	NW	0	0	1	0	0		GT	10	13	24	2	2	60	YES	2	U	7960
75	0.104699	469004B	VA	NW	1	0	0	0	0		FL	2	5	15	1	1	35	YES	2	R	2670
76	0.102745	224894K	VA	CSX	0	0	1	0	0		FL	4	0	0	1	1	15	YES	4	U	10454
77	0.102685	469436A	VA	NW	0	0	1	1	0		XB	3	9	17	2	2	40	NO	2	U	47
78	0.102043	856004T	VA	NPB	0	0	0	1	0		GT	26	0	0	2	1	15	YES	6	U	25700
79	0.100042	468593P	VA	NW	1	0	0	0	0		XB	1	4	8	3	1	15	YES	2	U	1100
80	0.099894	467508U	VA	NW	0	0	1	0	0		XB	50	0	0	3	0	15	YES	2	U	850
81	0.099875	623795N	VA	CSX	0	0	0	1	1		FL	2	1	2	1	1	49	YES	2	U	1020
82	0.099743	468599F	VA	NW	0	0	0	2	0		GT	1	2	4	3	1	45	YES	2	R	5315
83	0.099344	714227S	VA	SOU	0	1	0	0	0		WW	2	2	5	1	1	10	YES	2	U	6400
84	0.098738	465274L	VA	SOU	0	0	0	1	0		XB	8	0	0	3	1	15	YES	2	U	5000
85	0.098594	469812E	VA	NW	0	1	0	1	0		FL	1	1	2	1	1	25	YES	2	U	1254
86	0.098515	623600Y	VA	CSX	0	0	0	1	0		FL	0	2	4	1	1	25	YES	3	U	6900
87	0.098441	467697T	VA	NW	0	0	0	1	0		FL	4	1	2	1	1	20	YES	2	U	8450
88	0.098419	469811X	VA	NW	0	1	0	1	0		FL	1	1	2	1	1	25	YES	2	U	1240
89	0.098411	464285V	VA	NW	0	0	0	0	0	91-08	XB	4	2	4	1	1	25	YES	2	R	720
90	0.097204	467696L	VA	NW	0	1	0	0	0		FL	4	1	2	1	1	20	YES	2	U	7960
91	0.096324	224156U	VA	CSX	1	0	1	0	0		XB	2	0	0	2	0	15	YES	2	U	570
92	0.095331	468009G	VA	NW	0	0	0	1	0		GT	19	6	11	1	1	10	YES	2	U	12220
93	0.095215	465227D	VA	SOU	1	0	0	0	0		FL	4	0	0	1	1	15	YES	4	U	7290
94	0.094392	467374X	VA	NW	0	0	1	0	0		GT	2	13	24	4	2	25	YES	2	U	5000
95	0.094166	464277D	VA	NW	0	0	1	0	0		XB	4	2	4	1	1	25	YES	2	U	1000
96	0.094118	714768U	VA	SOU	0	0	0	0	1		XB	2	0	0	1	0	15	YES	2	U	15570
97	0.093054	468750F	VA	NW	2	0	0	0	0		GT	4	5	10	2	1	50	YES	2	R	614
98	0.092766	856100V	VA	NPB	0	0	0	0	0		FL	55	0	0	2	2	15	YES	6	U	8500
99	0.092145	713976S	VA	SOU	0	0	1	0	0		GT	0	16	28	2	2	35	YES	2	U	3500
100	0.092143	467356A	VA	NW	0	0	0	0	1		FL	2	13	24	3	3	25	YES	2	U	290
					==	==	==	==	==												
					49	41	45	32	22												

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                                     TOP 100 IN VIRGINIA                          17:52 TUESDAY, MAY 11, 1993    3
                                PUBLIC HIGHWAY-RAIL CROSSINGS
                             RANKED BY PREDICTED ACCIDENTS PER YEAR
                               SORTED BY HIGHWAY-RAIL CROSSING ID

OBS    XING       PRED      RANK   ST   COUNTY           CITY             RR    ROAD                   RRID     MILEPOST
       ID         ACCDS
       #

  1   224156U   0.096324     91    VA   YORK             NEWPORT NEWS     CSX                                    000000
  2   224551D   0.333379      3    VA   LYNCHBURG        LYNCHBURG        CSX   CONCORD TNPK                     014496
  3   224861X   0.159118     29    VA   HAMPTON          HAMPTON          CSX   QUEEN ST                         000422
  4   224894K   0.102745     76    VA   NEWPORT NEWS     NEWPORT NEWS     CSX   JEFFERSON AVE                    000843
  5   243857J   0.107760     71    VA   RUSSELL          DANTE            CSX   HOSPITAL CROSSING                003522
  6   464151W   0.175597     21    VA   SUFFOLK          SUFFOLK          NW    COUNTY STREET                    001795
  7   464277D   0.094166     95    VA   DANVILLE         EMPORIA          NW    HALIFAX                          007335
  8   464284N   0.188110     17    VA   GREENSVILLE      EMPORIA          NW                                     007525
  9   464285V   0.098411     89    VA   GREENSVILLE      EMPORIA          NW                                     007540
 10   465206K   0.121599     54    VA   NORFOLK          NORFOLK          SOU   INGLESIDE RD           VA 66    SN270
 11   465227D   0.095215     93    VA   VIRGINIA BEACH   VIRGINIA BEACH   SOU   PLAZA TRAIL                      VB1044
 12   465274L   0.098738     84    VA   CHESAPEAKE       CHESAPEAKE       SOU   CASCADE ST                       NS218
 13   467352X   0.243157     12    VA   NORFOLK          NORFOLK          NW    CHURCH ST.                       LP286
 14   467356A   0.092143    100    VA   NORFOLK          NORFOLK          NW    BARRE STREET                     LP317
 15   467359V   0.183960     19    VA   NORFOLK          NORFOLK          NW    GOFF ST.                         LP387
 16   467360P   0.136277     41    VA   NORFOLK          NORFOLK          NW    PRINCESS ANNE ROA                LP401
 17   467374X   0.094392     94    VA   NORFOLK          NORFOLK          NW    BERKLEY AVE.                     N218
 18   467376L   0.105370     74    VA   CHESAPEAKE       CHESAPEAKE       NW    LIBERTY ST.                      N273
 19   467381H   0.151264     33    VA   CHESAPEAKE       CHESAPEAKE       NW    PORTLOCK ROAD                    N516
 20   467382P   0.684156      2    VA   CHESAPEAKE       CHESAPEAKE       NW    FRANKLIN ST.                     N567
 21   467400K   0.246534     11    VA   SUFFOLK          SUFFOLK          NW    WASHINGTON STREET                N2279
 22   467406B   0.129277     48    VA   SUFFOLK          SUFFOLK          NW    WELLONS ST                       N2342
 23   467407H   0.167089     25    VA   SUFFOLK          SUFFOLK          NW    CAUSEY ST                        0N2376
 24   467508U   0.099894     80    VA   HOPEWELL         HOPEWELL         NW    TERMINAL STREET                  P857
 25   467509B   0.111236     66    VA   HOPEWELL         HOPEWELL         NW    INDUSTRIAL ST                    P857
 26   467511C   0.111236     67    VA   HOPEWELL         HOPEWELL         NW    INDUSTRIAL STREET                P857
 27   467570E   0.109420     70    VA   DINWIDDIE        SUTHERLAND       NW                                     N9097
 28   467648W   0.124248     53    VA   NORFOLK          NORFOLK          NW    HAMPTON BLVD                     000721
 29   467696L   0.097204     90    VA   CHESAPEAKE       CHESAPEAKE       NW    LIBERTY STREET                   V455
 30   467697T   0.098441     87    VA   CHESAPEAKE       CHESAPEAKE       NW    ATLANTIC AVE                     V477
 31   467698A   0.144494     37    VA   CHESAPEAKE       CHESAPEAKE       NW    HOOVER AVE                       V496
 32   467885H   0.124636     52    VA   PRINCE EDWARD    FARMVILLE        NW    MAIN ST.                         N14980
 33   467890E   0.135879     43    VA   PRINCE EDWARD    FARMVILLE        NW    APPOMATTOX ST.                   N15020
 34   467907F   0.113193     61    VA   PRINCE EDWARD    PROSPECT         NW                                     N16230
 35   468009G   0.095331     92    VA   ROANOKE          ROANOKE          NW    CAMPBELL AVENUE                  N25737
 36   468013W   0.133005     46    VA   ROANOKE          ROANOKE          NW    TAZEWELL AVE                     N25717
 37   468019M   0.138982     40    VA   ROANOKE          ROANOKE          NW    ALBEMARLE AVE                    N25717
 38   468425J   0.166426     26    VA   HENRY            MARTINSVILLE     NW    MOSS ST.                         0R6641
 39   468565L   0.174944     22    VA   ROANOKE          ROANOKE          NW    HOLLINS RD                       N25648
 40   468593P   0.100042     79    VA   ROANOKE          ROANOKE          NW    18TH                             V24554
 41   468594W   0.157684     30    VA   ROANOKE          ROANOKE          NW    BRIDGE STREET                    V24609
 42   468599F   0.099743     82    VA   CLARKE           BERRYVILLE       NW                                     H3985
 43   468750F   0.093054     97    VA   ROCKINGHAM       ELKTON           NW                                     H11175
 44   468891P   0.796203      1    VA   TAZEWELL         RICHLANDS        NW    CONNECTOR ST                     N40490
 45   469004B   0.104699     75    VA   WISE             COEBURN          NW    MAY AVE                          N45600
 46   469019R   0.121276     56    VA   NORTON           NORTON           NW    COEBURN RD                       N46535
 47   469037N   0.112025     65    VA   TAZEWELL         RICHLANDS        NW    SECOND ST                        R00016
 48   469385S   0.131456     47    VA   SALEM            SALEM            NW    MILL LANE                        N26596
 49   469436A   0.102685     77    VA   MONTGOMERY       CHRISTIANSBURG   NW    CHRISMAN MILL RD                 N29255
 50   469601H   0.329320      4    VA   GILES            EGGLESTON        NW                                     V29480
 51   469811X   0.098419     88    VA   WASHINGTON       ABINGDON         NW    DEADMORE ST                      N39255
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                                              TOP 100 IN VIRGINIA                           17:52 TUESDAY, MAY 11, 1993    4
                                        PUBLIC HIGHWAY-RAIL CROSSINGS
                                     RANKED BY PREDICTED ACCIDENTS PER YEAR
                                       SORTED BY HIGHWAY-RAIL CROSSING ID

OBS   XING      PRED      RANK  ST   COUNTY            CITY              RR    ROAD                RRID   MILEPOST
      ID        ACCDS
      #

 52   469812E   0.098594   85   VA   WASHINGTON        ABINGDON          NW    GREEN SPRING RD            N39307
 53   470471K   0.171270   23   VA   CAMPBELL          BROOKNEAL         NW    MADDOX ST.                 L3090
 54   530793R   0.125887   50   VA   NORTHAMPTON       CHERITON          ESHR  US RTE 13           V-60   009180
 55   623600Y   0.098515   86   VA   HOPEWELL          HOPEWELL          CSX   15TH AVE                   002120
 56   623604B   0.112053   64   VA   HOPEWELL          HOPEWELL          CSX   HERCULES ROAD              002230
 57   623654E   0.106705   72   VA   GREENSVILLE       EMPORIA           CSX                              006800
 58   623663D   0.112646   62   VA   RICHMOND          RICHMOND          CSX   JAHNKE RD                  000065
 59   623668M   0.117154   59   VA   RICHMOND          RICHMOND          CSX   BROAD ROCK RD              000308
 60   623683P   0.133402   45   VA   CHESTERFIELD      CHESTER           CSX   CURTIS RD                  001319
 61   623722D   0.192468   16   VA   DINWIDDIE         PETERSBURG        CSX                              003695
 62   623755R   0.214423   14   VA   EMPORIA           EMPORIA           CSX   ATLANTIC                   006275
 63   623761U   0.136038   42   VA   PORTSMOUTH        PORTSMOUTH        CSX   PORTSMOUTH BLVD     SA     000355
 64   623795N   0.099875   81   VA   SUFFOLK           SUFFOLK           CSX                              002170
 65   623796V   0.117936   58   VA   SUFFOLK           SUFFOLK           CSX                              002615
 66   623815X   0.140733   39   VA   FRANKLIN          FRANKLIN          CSX   MECHANIC ST.               003708
 67   626098M   0.316502    5   VA   PORTSMOUTH        PORTSMOUTH        CSX   FREDRICK BLVD              000253
 68   713878B   0.198753   15   VA   LYNCHBURG         LYNCHBURG         SOU   CARROLL AVE                017387
 69   713976S   0.092145   99   VA   PITTSYLVANIA      DANVILLE          SOU   WOODING AVE                023812
 70   714073J   0.134047   44   VA   RICHMOND          RICHMOND          SOU   FOREST HILL AVE            F13510
 71   714179E   0.121020   57   VA   DANVILLE          DANVILLE          SOU                              DW505
 72   714227S   0.099344   83   VA   RICHMOND          RICHMOND          SOU   DOCK ST                    F14089
 73   714289P   0.181672   20   VA   KING WILLIAM      WEST POINT        SOU                              F17830
 74   714344M   0.114352   60   VA   PRINCE WILLIAM    MANASSAS          SOU   QUARRY RD                  003173
 75   714346B   0.306568    6   VA   MANASSAS          MANASSAS          SOU   MAIN ST                    003255
 76   714352E   0.110042   68   VA   MANASSAS          MANASSAS          SOU   NOKESVILLE RD              B115
 77   714353L   0.285202    9   VA   PRINCE WILLIAM    MANASSAS          SOU   COCKRELL RD                B141
 78   714355A   0.106338   73   VA   MANASSAS          MANASSAS          SOU   GODWIN                     B188
 79   714363S   0.185820   18   VA   PRINCE WILLIAM    GAINESVILLE       SOU   LEE HWY                    B845
 80   714382W   0.224851   13   VA   FAUQUIER          MARSHALL          SOU                              B2247
 81   714604D   0.162372   27   VA   HARRISONBURG      HARRISONBURG      SOU   WASHINGTON ST              B11166
 82   714679C   0.157587   31   VA   CULPEPER          CULPEPER          SOU   WINE ST                    006701
 83   714682K   0.112082   63   VA   CULPEPER          CULPEPER          SOU   CHANDLER ST                006758
 84   714764S   0.124672   51   VA   CHARLOTTESVILLE   CHARLOTTESVILLE   SOU   CONCORD ST                 011158
 85   714765Y   0.298993    7   VA   CHARLOTTESVILLE   CHARLOTTESVILLE   SOU   DALE AVE                   011176
 86   714768U   0.094118   96   VA   CHARLOTTESVILLE   CHARLOTTESVILLE   SOU   PRESTON AVE                565500
 87   714770V   0.169099   24   VA   CHARLOTTESVILLE   CHARLOTTESVILLE   SOU   9TH ST                     011235
 88   714771C   0.142447   38   VA   CHARLOTTESVILLE   CHARLOTTESVILLE   SOU   SHAMROCK RD                011329
 89   715248N   0.259986   10   VA   CHESTERFIELD      RICHMOND          SOU   ROBIOUS RD&HUGUEN          612940
 90   855986P   0.128474   49   VA   CHESAPEAKE        CHESAPEAKE        NPB   MILITARY HIGHWAY           007464
 91   856004T   0.102043   78   VA   NORFOLK           NORFOLK           NPB   HAMPTON BLVD               006340
 92   856051B   0.153172   32   VA   PORTSMOUTH        PORTSMOUTH        NPB   DEEP CREEK BLVD            015584
 93   856062N   0.121561   55   VA   PORTSMOUTH        PORTSMOUTH        NPB   ELM AVE                    001131
 94   856075P   0.298371    8   VA   CHESAPEAKE        CHESAPEAKE        NPB   PARK AVE                   001480
 95   856082A   0.109944   69   VA   CHESAPEAKE        CHESAPEAKE        NPB   FREEMAN AVE                003650
 96   856100V   0.092766   98   VA   PORTSMOUTH        PORTSMOUTH        NPB   HIGH ST.                   009275
 97   856101C   0.161959   28   VA   PORTSMOUTH        PORTSMOUTH        NPB   TURNPIKE RD                010805
 98   857676C   0.149865   34   VA   NORFOLK           NORFOLK           NW    RUTHVEN ROAD               00A616
 99   857677J   0.149865   35   VA   NORFOLK           NORFOLK           NW    DIVEN STREET               00A610
100   860370B   0.146122   36   VA   KING GEORGE       FREDERICKSBURG    CSX                       CFQ    000960
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                     TOP 100 IN VIRGINIA                         17:52 TUESDAY, MAY 11, 1993    1

**********************************************************
*         SUMMARY  OF  INPUT   PARAMETERS                *
*        FOR ACCIDENT AND SEVERITY PREDICTION            *
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         TITLE           : TOP 100 IN VIRGINIA
         STATE           : 51
         COUNTY          : .
         CITY            : .
         RAILROAD        : .
         CROSSING ID     :
          BOTTOM OF RANGE: .
          TOP OF RANGE   : .
         RECORDS TO BE   :
           PRINTED       : 100
         SEVERITY TYPE   : 1   (1) PREDICTED ACCIDENTS
                         :     (2) FATAL ACCIDENT
                         :     (3) COMBIN. CASUALITY INDEX

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               SUM OF PREDICTED ACCIDENTS          :15.71986

               TOTAL NUMBER OF CROSSINGS ANALYZED  :2358

               INVENTORY DATE: AUGUST 31, 1992

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                                                    FAIRFAX COUNTY VIRGINIA
                                                 PUBLIC HIGHWAY-RAIL CROSSINGS                    11:59 SATURDAY, MAY 8, 1993    1
                                              RANKED BY PREDICTED ACCIDENTS PER YEAR

RANK   PRED      XING     ST  RR    -->  NUM  OF   ACC  <--  DATE  WD  TOTL  DAY   TOTL  TOTL  MAIN  TTBL  HWY  HWY  URBN  AADT
       ACCDS     ID                                          OF    CL  SWIT  THRU  THRU  TRKS  TRKS  SPD   PVD  LNS  RURL
                 #                  ___  ___  ___  ___  ___  CHG       TRNS  TRNS  TRNS
                                    88   89   90   91   92

  1   0.086402  714337C  VA  SOU    0    1    0    0    0          GT   0    16    26     2     2    79   NO    2    U    2472
  2   0.045465  714325H  VA  SOU    0    1    0    0    0          SP   2     0     0     1     0    15   YES   2    U    1212
  3   0.043804  905893K  VA  DOD    0    0    0    0    0          XB   0     4     4     1     1    15   YES   2    U    4415
  4   0.030887  714341S  VA  SOU    0    0    0    0    0          GT   0    16    26     2     2    79   YES   2    U    1820
  5   0.026981  714326P  VA  SOU    0    0    0    0    0          SP   6     0     0     1     0    15   YES   2    U    6659
  6   0.021167  714322M  VA  SOU    0    0    0    0    0          SP   6     0     0     1     0    15   YES   2    U    3259
  7   0.020444  714321F  VA  SOU    0    0    0    0    0          SP   6     0     0     2     0    15   YES   2    U    2950
  8   0.005946  905894S  VA  DOD    0    0    0    0    0          XB   0     4     4     1     1    15   NO    2    U      48
                                    =    =    =    =    =
                                    0    2    0    0    0
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                                       FAIRFAX COUNTY VIRGINIA                       11:59 SATURDAY, MAY 8, 1993    2
                                   PUBLIC HIGHWAY-RAIL CROSSINGS
                                RANKED BY PREDICTED ACCIDENTS PER YEAR
                                  SORTED BY HIGHWAY-RAIL CROSSING ID

OBS      XING       PRED       RANK    ST    COUNTY      CITY        RR     ROAD              RRID     MILEPOST
         ID         ACCDS
         #

 1      714321F    0.020444     7      VA    FAIRFAX    ALEXANDRIA   SOU    TIROS DR                     565500
 2      714322M    0.021167     6      VA    FAIRFAX    ALEXANDRIA   SOU    INDUSTRIAL DR                565500
 3      714325H    0.045465     2      VA    FAIRFAX    ALEXANDRIA   SOU    ELECTRONIC DR                565500
 4      714326P    0.026981     5      VA    FAIRFAX    ALEXANDRIA   SOU    INDUSTRIAL DR                565500
 5      714337C    0.086402     1      VA    FAIRFAX    CLIFTON      SOU    GUINEA RD                    002161
 6      714341S    0.030887     4      VA    FAIRFAX    CLIFTON      SOU    MAIN STREET                  002681
 7      905893K    0.043804     3      VA    FAIRFAX    ALEXANDRIA   DOD    NONE              NONE       NONE00
 8      905894S    0.005946     8      VA    FAIRFAX    ALEXANDRIA   DOD    ACCOTINK RD       NONE       NONE00
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                   FAIRFAX COUNTY VIRGINIA                        11:59 SATURDAY, MAY 8, 1993    1

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*         SUMMARY  OF  INPUT   PARAMETERS                   *
*        FOR ACCIDENT AND SEVERITY PREDICTION               *
************************************************************

         TITLE            : FAIRFAX COUNTY VIRGINIA
         STATE            : 51
         COUNTY           : 059
         CITY             : .
         RAILROAD         : .
         CROSSING ID      :
          BOTTOM OF RANGE : .
          TOP OF RANGE    : .
         RECORDS TO BE    :
           PRINTED        : ALL
         SEVERITY TYPE    : 1   (1) PREDICTED ACCIDENTS
                          :     (2) FATAL ACCIDENT
                          :     (3) COMBIN. CASUALITY INDEX

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                SUM OF PREDICTED ACCIDENTS          :0.2810994

                TOTAL NUMBER OF CROSSINGS ANALYZED  :8

                INVENTORY DATE: DECEMBER 1992

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TOP 100 IN VIRGINIA
PUBLIC HIGHWAY-RAIL CROSSINGS
RANKED BY PREDICTED ACCIDENTS PER YEAR

17:52 TUESDAY, MAY 11, 1993 1

RANK	PRED ACCDS	XING ID #	ST	RR	-->	NUM	OF	ACC	<--	DATE OF CHG	WD CL	TOTL SWIT TRNS	DAY THRU TRNS	TOTL THRU TRNS	TOTL TRKS	MAIN TRKS	TTBL SPD	HWY PVD	HWY LNS	URBN RURL	AADT
					88	89	90	91	92												
1	0.796203	468891P	VA	NW	2	7	2	0	0		XB	3	6	14	1	1	20	YES	2	U	806
2	0.684156	467382P	VA	NW	0	1	2	1	0	88-03	XB	16	13	24	3	2	40	YES	2	U	1000
3	0.333379	224551D	VA	CSX	2	0	0	0	1		XB	2	6	12	4	2	35	YES	2	U	4420
4	0.329320	469601H	VA	NW	0	3	1	2	0		XB	0	6	12	1	1	35	YES	2	R	88
5	0.316502	626098M	VA	CSX	1	0	2	0	0		FL	2	1	4	1	1	49	YES	4	U	31650
6	0.306568	714346B	VA	SOU	2	0	0	0	1		FL	6	16	26	4	2	25	YES	2	U	3600
7	0.298993	714765Y	VA	SOU	1	0	0	2	1		XB	2	14	24	2	2	25	YES	2	U	217
8	0.298371	856075P	VA	NPB	2	0	0	0	1		FL	26	0	0	2	1	15	YES	2	U	20000
9	0.285202	714353L	VA	SOU	0	1	2	0	0		XB	6	4	4	1	1	25	YES	2	U	3400
10	0.259986	715248N	VA	SOU	2	0	0	0	0		FL	0	2	4	1	1	35	YES	7	U	21510
11	0.246534	467400K	VA	NW	0	2	1	0	0		GT	22	12	23	3	2	40	YES	2	U	11300
12	0.243157	467352X	VA	NW	1	1	0	1	0		GT	2	13	24	3	3	25	YES	2	U	10000
13	0.224851	714382W	VA	SOU	0	0	4	0	0		XB	1	2	2	1	1	25	YES	2	R	662
14	0.214423	623755R	VA	CSX	0	2	0	0	1		GT	2	8	18	2	1	79	YES	3	U	11250
15	0.198753	713878B	VA	SOU	2	0	0	0	0		FL	8	16	28	2	2	79	YES	2	U	1500
16	0.192468	623722D	VA	CSX	1	0	1	0	1		FL	0	8	18	1	1	79	YES	2	R	859
17	0.188110	464284N	VA	NW	2	1	0	0	0		XB	4	2	4	1	1	25	YES	2	R	425
18	0.185820	714363S	VA	SOU	0	0	2	1	0		GT	0	4	4	1	1	25	YES	4	U	17225
19	0.183960	467359V	VA	NW	0	0	1	1	0		FL	2	13	24	3	3	25	YES	2	U	900
20	0.181672	714289P	VA	SOU	1	1	0	0	0		FL	8	2	4	3	1	10	YES	2	R	7595
21	0.175597	464151W	VA	NW	0	0	2	0	0		XB	24	0	0	3	1	20	YES	2	U	2500
22	0.174944	468565L	VA	NW	0	1	0	0	1		GT	40	14	29	4	2	40	YES	2	U	5280
23	0.171270	470471K	VA	NW	2	1	0	0	0		XB	2	1	3	3	1	35	YES	2	R	382
24	0.169099	714770V	VA	SOU	1	1	0	0	0	88-02	GT	12	14	24	4	3	30	YES	2	U	5190
25	0.167089	467407H	VA	NW	0	1	1	0	0		XB	18	12	23	5	2	40	YES	2	U	100
26	0.166426	468425J	VA	NW	0	2	0	0	0		XB	2	5	9	3	1	25	YES	2	U	750
27	0.162372	714604D	VA	SOU	0	0	0	0	2		XB	4	2	2	3	1	25	YES	2	U	1800
28	0.161959	856101C	VA	NPB	0	0	0	0	1		FL	55	0	0	2	2	15	YES	2	U	13120
29	0.159118	224861X	VA	CSX	0	0	1	1	0		FL	2	0	0	1	1	15	YES	5	U	11500
30	0.157684	468594W	VA	NW	0	1	0	1	0		FL	2	4	8	1	1	15	YES	2	U	3600
31	0.157587	714679C	VA	SOU	0	1	1	0	0		XB	0	14	24	2	2	79	YES	2	U	50
32	0.153172	856051B	VA	NPB	1	0	0	0	0		FL	47	0	0	2	2	15	YES	3	U	6980
33	0.151264	467381H	VA	NW	1	0	1	0	0		GT	2	13	24	8	2	40	YES	2	U	5000
34	0.149865	857676C	VA	NW	0	1	0	0	2		XB	3	1	1	1	0	15	YES	2	U	250
35	0.149865	857677J	VA	NW	0	0	2	0	1		XB	3	1	1	1	0	15	YES	2	U	250
36	0.146122	860370B	VA	CSX	1	1	0	0	0		FL	4	0	0	1	0	25	YES	4	R	9155
37	0.144494	467698A	VA	NW	0	0	1	1	0		XB	6	1	2	2	0	20	YES	2	U	1000
38	0.142447	714771C	VA	SOU	0	0	0	0	1		FL	2	14	24	2	2	79	YES	2	U	4000
39	0.140733	623815X	VA	CSX	0	1	1	0	0		FL	6	1	2	3	1	20	YES	2	U	3500
40	0.138982	468019M	VA	NW	1	0	0	0	0		FL	19	6	11	2	2	15	YES	2	U	3800
41	0.136277	467360P	VA	NW	1	0	0	0	0		GT	2	13	24	3	3	25	YES	4	U	14960
42	0.136038	623761U	VA	CSX	0	0	1	0	0		FL	2	1	2	1	1	45	YES	5	U	16750
43	0.135879	467890E	VA	NW	2	0	0	0	0		XB	1	6	12	3	1	40	YES	2	U	126
44	0.134047	714073J	VA	SOU	1	0	0	0	0		FL	0	2	4	1	1	35	YES	4	U	20428
45	0.133402	623683P	VA	CSX	0	1	1	0	0		GT	8	15	30	2	2	79	YES	2	U	1251
46	0.133005	468013W	VA	NW	1	0	0	1	0		GT	19	6	11	1	1	15	YES	2	U	4460
47	0.131456	469385S	VA	NW	0	1	0	1	0		GT	3	9	17	2	2	50	YES	2	U	2890
48	0.129277	467406B	VA	NW	1	0	0	0	1		GT	18	12	23	5	2	40	YES	2	U	1050
49	0.128474	855986P	VA	NPB	0	1	0	0	0		FL	4	0	0	1	1	15	YES	5	U	20260
50	0.125887	530793R	VA	ESHR	1	0	2	0	0		GT	0	0	2	1	1	20	YES	4	R	7265
51	0.124672	714764S	VA	SOU	0	1	0	0	0		XB	0	14	24	2	2	25	YES	2	U	590
52	0.124636	467885H	VA	NW	0	0	0	1	1		GT	1	6	12	2	1	40	YES	2	U	6350

TOP 100 IN VIRGINIA
PUBLIC HIGHWAY-RAIL CROSSINGS
RANKED BY PREDICTED ACCIDENTS PER YEAR

RANK	PRED ACCDS	XING ID #	ST	RR	-->	NUM	OF	ACC	<--	DATE OF CHG	WD CL	TOTL SWIT TRNS	DAY THRU TRNS	TOTL THRU TRNS	TOTL TRKS	MAIN TRKS	TTBL SPD	HWY PVD	HWY LNS	URBN RURL	AADT
					88	89	90	91	92												
53	0.124248	467648W	VA	NW	1	0	0	0	1		GT	4	0	0	1	0	15	YES	6	U	39090
54	0.121599	465206K	VA	SOU	0	0	0	0	1		XB	10	0	0	5	1	20	YES	2	U	10700
55	0.121561	856062N	VA	NPB	1	1	0	0	0		SP	2	0	0	2	0	15	YES	4	U	6860
56	0.121276	469019R	VA	NW	0	0	1	0	0		FL	2	5	15	1	1	20	YES	2	U	5490
57	0.121020	714179E	VA	SOU	1	0	0	0	0		FL	0	4	4	1	1	25	YES	4	U	10060
58	0.117936	623796V	VA	CSX	1	0	0	1	0		XB	2	1	2	1	1	40	YES	2	R	355
59	0.117154	623668M	VA	CSX	1	0	0	0	0		GT	8	15	30	2	2	79	YES	2	U	13570
60	0.114352	714344M	VA	SOU	0	0	0	2	0		XB	0	16	26	2	2	25	NO	2	U	86
61	0.113193	467907F	VA	NW	1	0	1	0	0		XB	1	6	12	1	1	40	YES	2	R	37
62	0.112646	623663D	VA	CSX	0	0	0	0	1		GT	8	15	30	2	2	79	YES	2	U	10320
63	0.112082	714682K	VA	SOU	1	0	0	0	0		FL	0	14	24	3	2	79	YES	2	U	1250
64	0.112053	623604B	VA	CSX	0	0	0	1	0		SP	12	2	4	1	1	20	YES	3	U	3200
65	0.112025	469037N	VA	NW	0	0	0	1	0		FL	4	3	5	1	1	20	YES	2	U	7995
66	0.111236	467509B	VA	NW	0	0	1	0	0		XB	24	0	0	3	0	15	YES	2	U	3100
67	0.111236	467511C	VA	NW	0	1	0	0	0		XB	24	0	0	2	0	15	YES	2	U	3100
68	0.110042	714352E	VA	SOU	1	0	0	0	0		FL	6	4	4	1	1	25	YES	2	U	6120
69	0.109944	856082A	VA	NPB	1	0	0	0	0		XB	14	0	0	1	1	15	YES	2	U	5000
70	0.109420	467570E	VA	NW	0	0	0	0	0	91-06	XB	0	11	25	2	2	60	YES	2	R	120
71	0.107760	243857J	VA	CSX	0	0	0	2	0		SP	22	7	12	3	1	25	YES	2	R	116
72	0.106705	623654E	VA	CSX	0	1	1	0	0		XB	1	0	0	1	0	10	YES	2	R	3005
73	0.106338	714355A	VA	SOU	1	0	1	0	0		GT	0	4	4	1	1	25	YES	2	U	7630
74	0.105370	467376L	VA	NW	0	0	1	0	0		GT	10	13	24	2	2	60	YES	2	U	7960
75	0.104699	469004B	VA	NW	1	0	0	0	0		FL	2	5	15	1	1	35	YES	2	R	2670
76	0.102745	224894K	VA	CSX	0	0	1	0	0		FL	4	0	0	1	1	15	YES	4	U	10454
77	0.102685	469436A	VA	NW	0	0	1	1	0		XB	3	9	17	2	2	40	NO	2	U	47
78	0.102043	856004T	VA	NPB	0	0	0	1	0		GT	26	0	0	2	1	15	YES	6	U	25700
79	0.100042	468593P	VA	NW	1	0	0	0	0		XB	1	4	8	3	1	15	YES	2	U	1100
80	0.099894	467508U	VA	NW	0	0	1	0	0		XB	50	0	0	3	0	15	YES	2	U	850
81	0.099875	623795N	VA	CSX	0	0	0	1	1		FL	2	1	2	1	1	49	YES	2	U	1020
82	0.099743	468599F	VA	NW	0	0	0	2	0		GT	1	2	4	3	1	45	YES	2	R	5315
83	0.099344	714227S	VA	SOU	0	1	0	0	0		WW	2	2	5	1	1	10	YES	2	U	6400
84	0.098738	465274L	VA	SOU	0	0	0	1	0		XB	8	0	0	3	1	15	YES	2	U	5000
85	0.098594	469812E	VA	NW	0	1	0	1	0		FL	1	1	2	1	1	25	YES	2	U	1254
86	0.098515	623600Y	VA	CSX	0	0	0	1	0		FL	0	2	4	1	1	25	YES	3	U	6900
87	0.098441	467697T	VA	NW	0	0	0	1	0		FL	4	1	2	1	1	20	YES	2	U	8450
88	0.098419	469811X	VA	NW	0	1	0	1	0		FL	1	1	2	1	1	25	YES	2	U	1240
89	0.098411	464285V	VA	NW	0	0	0	0	0	91-08	XB	4	2	4	1	1	25	YES	2	R	720
90	0.097204	467696L	VA	NW	0	1	0	0	0		FL	4	1	2	1	1	20	YES	2	U	7960
91	0.096324	224156U	VA	CSX	1	0	1	0	0		XB	2	0	0	2	0	15	YES	2	U	570
92	0.095331	468009G	VA	NW	0	0	0	1	0		GT	19	6	11	1	1	10	YES	2	U	12220
93	0.095215	465227D	VA	SOU	1	0	0	0	0		FL	4	0	0	1	1	15	YES	4	U	7290
94	0.094392	467374X	VA	NW	0	0	1	0	0		GT	2	13	24	4	2	25	YES	2	U	5000
95	0.094166	464277D	VA	NW	0	0	1	0	0		XB	4	2	4	1	1	25	YES	2	U	1000
96	0.094118	714768U	VA	SOU	0	0	0	0	1		XB	2	0	0	1	0	15	YES	2	U	15570
97	0.093054	468750F	VA	NW	2	0	0	0	0		GT	4	5	10	2	1	50	YES	2	R	614
98	0.092766	856100V	VA	NPB	0	0	0	0	0		FL	55	0	0	2	2	15	YES	6	U	8500
99	0.092145	713976S	VA	SOU	0	0	1	0	0		GT	0	16	28	2	2	35	YES	2	U	3500
100	0.092143	467356A	VA	NW	0	0	0	0	1		FL	2	13	24	3	3	25	YES	2	U	290
					==	==	==	==	==												
					49	41	45	32	22												

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                                           TOP 100 IN VIRGINIA                          17:52 TUESDAY, MAY 11, 1993    3
                                    PUBLIC HIGHWAY-RAIL CROSSINGS
                                 RANKED BY PREDICTED ACCIDENTS PER YEAR
                                  SORTED BY HIGHWAY-RAIL CROSSING ID

OBS   XING       PRED       RANK   ST   COUNTY            CITY              RR    ROAD                  RRID      MILEPOST
      ID         ACCDS
      #

  1   224156U    0.096324     91   VA   YORK              NEWPORT NEWS      CSX                                   000000
  2   224551D    0.333379      3   VA   LYNCHBURG         LYNCHBURG         CSX   CONCORD TNPK                    014496
  3   224861X    0.159118     29   VA   HAMPTON           HAMPTON           CSX   QUEEN ST                        000422
  4   224894K    0.102745     76   VA   NEWPORT NEWS      NEWPORT NEWS      CSX   JEFFERSON AVE                   000843
  5   243857J    0.107760     71   VA   RUSSELL           DANTE             CSX   HOSPITAL CROSSING               003522
  6   464151W    0.175597     21   VA   SUFFOLK           SUFFOLK           NW    COUNTY STREET                   001795
  7   464277D    0.094166     95   VA   DANVILLE          EMPORIA           NW    HALIFAX                         007335
  8   464284N    0.188110     17   VA   GREENSVILLE       EMPORIA           NW                                    007525
  9   464285V    0.098411     89   VA   GREENSVILLE       EMPORIA           NW                                    007540
 10   465206K    0.121599     54   VA   NORFOLK           NORFOLK           SOU   INGLESIDE RD          VA 66     SN270
 11   465227D    0.095215     93   VA   VIRGINIA BEACH    VIRGINIA BEACH    SOU   PLAZA TRAIL                     VB1044
 12   465274L    0.098738     84   VA   CHESAPEAKE        CHESAPEAKE        SOU   CASCADE ST                      NS218
 13   467352X    0.243157     12   VA   NORFOLK           NORFOLK           NW    CHURCH ST.                      LP286
 14   467356A    0.092143    100   VA   NORFOLK           NORFOLK           NW    BARRE STREET                    LP317
 15   467359V    0.183960     19   VA   NORFOLK           NORFOLK           NW    GOFF ST.                        LP387
 16   467360P    0.136277     41   VA   NORFOLK           NORFOLK           NW    PRINCESS ANNE ROA               LP401
 17   467374X    0.094392     94   VA   NORFOLK           NORFOLK           NW    BERKLEY AVE.                    N218
 18   467376L    0.105370     74   VA   CHESAPEAKE        CHESAPEAKE        NW    LIBERTY ST.                     N273
 19   467381H    0.151264     33   VA   CHESAPEAKE        CHESAPEAKE        NW    PORTLOCK ROAD                   N516
 20   467382P    0.684156      2   VA   CHESAPEAKE        CHESAPEAKE        NW    FRANKLIN ST.                    N567
 21   467400K    0.246534     11   VA   SUFFOLK           SUFFOLK           NW    WASHINGTON STREET               N2279
 22   467406B    0.129277     48   VA   SUFFOLK           SUFFOLK           NW    WELLONS ST                      N2342
 23   467407H    0.167089     25   VA   SUFFOLK           SUFFOLK           NW    CAUSEY ST                       0N2376
 24   467508U    0.099894     80   VA   HOPEWELL          HOPEWELL          NW    TERMINAL STREET                 P857
 25   467509B    0.111236     66   VA   HOPEWELL          HOPEWELL          NW    INDUSTRIAL ST                   P857
 26   467511C    0.111236     67   VA   HOPEWELL          HOPEWELL          NW    INDUSTRIAL STREET               P857
 27   467570E    0.109420     70   VA   DINWIDDIE         SUTHERLAND        NW                                    N9097
 28   467648W    0.124248     53   VA   NORFOLK           NORFOLK           NW    HAMPTON BLVD                    000721
 29   467696L    0.097204     90   VA   CHESAPEAKE        CHESAPEAKE        NW    LIBERTY STREET                  V455
 30   467697T    0.098441     87   VA   CHESAPEAKE        CHESAPEAKE        NW    ATLANTIC AVE                    V477
 31   467698A    0.144494     37   VA   CHESAPEAKE        CHESAPEAKE        NW    HOOVER AVE                      V496
 32   467885H    0.124636     52   VA   PRINCE EDWARD     FARMVILLE         NW    MAIN ST.                        N14980
 33   467890E    0.135879     43   VA   PRINCE EDWARD     FARMVILLE         NW    APPOMATTOX ST.                  N15020
 34   467907F    0.113193     61   VA   PRINCE EDWARD     PROSPECT          NW                                    N16230
 35   468009G    0.095331     92   VA   ROANOKE           ROANOKE           NW    CAMPBELL AVENUE                 N25737
 36   468013W    0.133005     46   VA   ROANOKE           ROANOKE           NW    TAZEWELL AVE                    N25717
 37   468019M    0.138982     40   VA   ROANOKE           ROANOKE           NW    ALBEMARLE AVE                   N25717
 38   468425J    0.166426     26   VA   HENRY             MARTINSVILLE      NW    MOSS ST.                        0R6641
 39   468565L    0.174944     22   VA   ROANOKE           ROANOKE           NW    HOLLINS RD                      N25648
 40   468593P    0.100042     79   VA   ROANOKE           ROANOKE           NW    18TH                            V24554
 41   468594W    0.157684     30   VA   ROANOKE           ROANOKE           NW    BRIDGE STREET                   V24609
 42   468599F    0.099743     82   VA   CLARKE            BERRYVILLE        NW                                    H3985
 43   468750F    0.093054     97   VA   ROCKINGHAM        ELKTON            NW                                    H11175
 44   468891P    0.796203      1   VA   TAZEWELL          RICHLANDS         NW    CONNECTOR ST                    N40490
 45   469004B    0.104699     75   VA   WISE              COEBURN           NW    MAY AVE                         N45600
 46   469019R    0.121276     56   VA   NORTON            NORTON            NW    COEBURN RD                      N46535
 47   469037N    0.112025     65   VA   TAZEWELL          RICHLANDS         NW    SECOND ST                       R00016
 48   469385S    0.131456     47   VA   SALEM             SALEM             NW    MILL LANE                       N26596
 49   469436A    0.102685     77   VA   MONTGOMERY        CHRISTIANSBURG    NW    CHRISMAN MILL RD                N29255
 50   469601H    0.329320      4   VA   GILES             EGGLESTON         NW                                    V29480
 51   469811X    0.098419     88   VA   WASHINGTON        ABINGDON          NW    DEADMORE ST                     N39255
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TOP 100 IN VIRGINIA
PUBLIC HIGHWAY-RAIL CROSSINGS
RANKED BY PREDICTED ACCIDENTS PER YEAR
SORTED BY HIGHWAY-RAIL CROSSING ID

OBS	XING ID #	PRED ACCDS	RANK	ST	COUNTY	CITY	RR	ROAD	RRID	MILEPOST
52	469812E	0.098594	85	VA	WASHINGTON	ABINGDON	NW	GREEN SPRING RD		N39307
53	470471K	0.171270	23	VA	CAMPBELL	BROOKNEAL	NW	MADDOX ST.		L3090
54	530793R	0.125887	50	VA	NORTHAMPTON	CHERITON	ESHR	US RTE 13	V-60	009180
55	623600Y	0.098515	86	VA	HOPEWELL	HOPEWELL	CSX	15TH AVE		002120
56	623604B	0.112053	64	VA	HOPEWELL	HOPEWELL	CSX	HERCULES ROAD		002230
57	623654E	0.106705	72	VA	GREENSVILLE	EMPORIA	CSX			006800
58	623663D	0.112646	62	VA	RICHMOND	RICHMOND	CSX	JAHNKE RD		000065
59	623668M	0.117154	59	VA	RICHMOND	RICHMOND	CSX	BROAD ROCK RD		000308
60	623683P	0.133402	45	VA	CHESTERFIELD	CHESTER	CSX	CURTIS RD		001319
61	623722D	0.192468	16	VA	DINWIDDIE	PETERSBURG	CSX			003695
62	623755R	0.214423	14	VA	EMPORIA	EMPORIA	CSX	ATLANTIC		006275
63	623761U	0.136038	42	VA	PORTSMOUTH	PORTSMOUTH	CSX	PORTSMOUTH BLVD	SA	000355
64	623795H	0.099875	81	VA	SUFFOLK	SUFFOLK	CSX			002170
65	623796V	0.117936	58	VA	SUFFOLK	SUFFOLK	CSX			002615
66	623815X	0.140733	39	VA	FRANKLIN	FRANKLIN	CSX	MECHANIC ST.		003708
67	626098M	0.316502	5	VA	PORTSMOUTH	PORTSMOUTH	CSX	FREDRICK BLVD		000253
68	713878B	0.198753	15	VA	LYNCHBURG	LYNCHBURG	SOU	CARROLL AVE		017387
69	713976S	0.092145	99	VA	PITTSYLVANIA	DANVILLE	SOU	WOODING AVE		023812
70	714073J	0.134047	44	VA	RICHMOND	RICHMOND	SOU	FOREST HILL AVE		F13510
71	714179E	0.121020	57	VA	DANVILLE	DANVILLE	SOU			DW505
72	714227S	0.099344	83	VA	RICHMOND	RICHMOND	SOU	DOCK ST		F14089
73	714289P	0.181672	20	VA	KING WILLIAM	WEST POINT	SOU			F17830
74	714344M	0.114352	60	VA	PRINCE WILLIAM	MANASSAS	SOU	QUARRY RD		003173
75	714346B	0.306568	6	VA	MANASSAS	MANASSAS	SOU	MAIN ST		003255
76	714352E	0.110042	68	VA	MANASSAS	MANASSAS	SOU	NOKESVILLE RD		B115
77	714353L	0.285202	9	VA	PRINCE WILLIAM	MANASSAS	SOU	COCKRELL RD		B141
78	714355A	0.106338	73	VA	MANASSAS	MANASSAS	SOU	GODWIN		B188
79	714363S	0.185820	18	VA	PRINCE WILLIAM	GAINESVILLE	SOU	LEE HWY		B845
80	714382W	0.224851	13	VA	FAUQUIER	MARSHALL	SOU			B2247
81	714604D	0.162372	27	VA	HARRISONBURG	HARRISONBURG	SOU	WASHINGTON ST		B11166
82	714679C	0.157587	31	VA	CULPEPER	CULPEPER	SOU	WINE ST		006701
83	714682K	0.112082	63	VA	CULPEPER	CULPEPER	SOU	CHANDLER ST		006758
84	714764S	0.124672	51	VA	CHARLOTTESVILLE	CHARLOTTESVILLE	SOU	CONCORD ST		011158
85	714765Y	0.298993	7	VA	CHARLOTTESVILLE	CHARLOTTESVILLE	SOU	DALE AVE		011176
86	714768U	0.094118	96	VA	CHARLOTTESVILLE	CHARLOTTESVILLE	SOU	PRESTON AVE		565500
87	714770V	0.169099	24	VA	CHARLOTTESVILLE	CHARLOTTESVILLE	SOU	9TH ST		011235
88	714771C	0.142447	38	VA	CHARLOTTESVILLE	CHARLOTTESVILLE	SOU	SHAMROCK RD		011329
89	715248N	0.259986	10	VA	CHESTERFIELD	RICHMOND	SOU	ROBIOUS RD&HUGUEN		612940
90	855986P	0.128474	49	VA	CHESAPEAKE	CHESAPEAKE	NPB	MILITARY HIGHWAY		007464
91	856004T	0.102043	78	VA	NORFOLK	NORFOLK	NPB	HAMPTON BLVD		006340
92	856051B	0.153172	32	VA	PORTSMOUTH	PORTSMOUTH	NPB	DEEP CREEK BLVD		015584
93	856062N	0.121561	55	VA	PORTSMOUTH	PORTSMOUTH	NPB	ELM AVE		001131
94	856075P	0.298371	8	VA	CHESAPEAKE	CHESAPEAKE	NPB	PARK AVE		001480
95	856082A	0.109944	69	VA	CHESAPEAKE	CHESAPEAKE	NPB	FREEMAN AVE		003650
96	856100V	0.092766	98	VA	PORTSMOUTH	PORTSMOUTH	NPB	HIGH ST.		009275
97	856101C	0.161959	28	VA	PORTSMOUTH	PORTSMOUTH	NPB	TURNPIKE RD		010805
98	857676C	0.149865	34	VA	NORFOLK	NORFOLK	NW	RUTHVEN ROAD		00A616
99	857677J	0.149865	35	VA	NORFOLK	NORFOLK	NW	DIVEN STREET		00A610
100	860370B	0.146122	36	VA	KING GEORGE	FREDERICKSBURG	CSX		CFQ	000960

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                     TOP 100 IN VIRGINIA                          17:52 TUESDAY, MAY 11, 1993     1

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*         SUMMARY  OF  INPUT   PARAMETERS                 *
*        FOR ACCIDENT AND SEVERITY PREDICTION             *
***********************************************************

         TITLE           : TOP 100 IN VIRGINIA
         STATE           : 51
         COUNTY          : .
         CITY            : .
         RAILROAD        : .
         CROSSING ID     :
          BOTTOM OF RANGE: .
          TOP OF RANGE   : .
         RECORDS TO BE   :
           PRINTED       : 100
         SEVERITY TYPE   : 1   (1) PREDICTED ACCIDENTS
                         :     (2) FATAL ACCIDENT
                         :     (3) COMBIN. CASUALITY INDEX

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               SUM OF PREDICTED ACCIDENTS          :15.71986

               TOTAL NUMBER OF CROSSINGS ANALYZED  :2358

               INVENTORY DATE: AUGUST 31, 1992

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FACTORS IN GRADE CROSSING FATALITIES

Mr. WOLF. The other question I have is how many of these crossing deaths are associated with drinking?

Mr. LINDSEY. That is hard to tell, Mr. Wolf, because when there is a fatality, in most States there is no postmortem analysis of the remains for the presence of alcohol.

Mr. WOLF. The Sheriff's office doesn't do an autopsy or anything like that; there is no indication of whether there is drinking and driving?

Mr. LINDSEY. Very often there is not. Do you care to elaborate on that, Grady?

Mr. COTHEN. The highway-side safety statistics indicate that at least one-third of fatal incidents at highway-rail crossings involved a motorist who was intoxicated at the level set in that particular State.

The interesting thing there is that closer to 50 percent, a little less than that now, closer to 50 percent of highway fatalities generally involve intoxicated motorists.

Thinking about it a while, the conclusion we come to is that the grade crossing presents a little greater hazard to the average motorist than does the normal task of driving on the streets or highways. There is an inherent risk there because of the mix of the traffic.

Mr. WOLF. Are there many grade crossings where there is absolutely nothing there; you just come up and stop?

Mr. COTHEN. There are crossings that might seem to be public roads to members of the public that are, in fact, private crossings. Probably there are some left where there is still no signage at all. Most are marked at least by a crossbuck.

Mr. WOLF. With a what? A crossbuck?

Mr. COTHEN. By a crossbuck. And crossbuck still stands as the minimum signage in the MUTCD, "Manual of Uniform Traffic Control Devices," for those crossings that don't warrant active warning devices.

Mr. WOLF. If you can do that, I won't take any more time. The sheriff of Fauquier County raised this issue with me, too. They, I think, lost a sheriff at one of the crossings, and with the number of people who visit the area, this is important.

[The information follows:]

HIGHWAY-RAIL CROSSINGS WITHOUT WARNING DEVICES

	Signals and/or gates	Special	Signs	Nothing
The Nation:				
Public	58,993	5,351	101,440	8,301
Private	912	N/A	24,214	85,194
Virginia:				
Public	1,171	171	865	148
Private	22	N/A	359	2,898

ACCIDENTS AT HIGHWAY-RAIL GRADE CROSSINGS

Year	Total [1]	BAC .00 [2]	Percent	BAC .01–.09	Percent	BAC. .10+	Percent
1988	502	327	65.2	44	8.8	130	26.0
1989	571	373	65.3	55	9.7	143	25.0
1990	481	341	70.9	36	7.5	104	21.6
1991	425	287	67.5	45	10.6	93	22.0
Total Fatalities Occurring at Highway-Rail Grade Crossing by the Highest BAC in the Accident							
1988	633	413	65.2	55	8.8	165	26.0
1989	714	455	63.7	73	10.3	186	26.0
1990	608	434	71.4	44	7.3	130	21.4
1991	533	341	64.0	65	12.3	127	23.7

[1] Accidents investigated.

[2] Blood Alcohol Content (percent).

Source: National Highway Traffic Safety Administration.

FRENCH HIGH-SPEED RAIL SAFETY RESEARCH

Mr. WOLF. I have a number of other questions, but let me just jump to one that may seem a little unusual.

You pointed out that you had negotiated an agreement with the French Republic concerning very high-speed rail system safety research and provided written guidance acceptable to the French Government in its implementation. If you could elaborate on at that a little.

I have been very, very concerned with regard to the number of technologies that we have developed in this country that are being taken from us by what they call "friendly spying." The French are at the top of the list. In fact, Hughes Aircraft has pulled out of the Paris Air Show. We are writing the other companies attending the Paris Air Show that may want to consider pulling out.

We put in the Congressional Record the number of companies and the different systems that the French are targeting. It really does not raise my comfort level a lot that you have an agreement with the French. Would you tell me what the agreement is and what the technology transfer is?

Mr. LINDSEY. Certainly, Congressman Wolf. Here the agreement is to permit us to look at their technology for the purpose of evaluating it for safety purposes. This arose in the context of the proposal to build a TGV system in Texas. And in order to evaluate the safety of that system, we needed to look at a great deal of their proprietary information.

Mr. WOLF. So it wouldn't be technology transfer from here to there; it would be the other way around.

Mr. LINDSEY. That is correct. And the agreement is designed to protect their proprietary information from release to their competitors.

EUROPEAN RAIL SAFETY

Mr. WOLF. During, I think, the Amtrak hearing, I am not sure whether the Chairman or someone asked a question, and it came out that the safety situation in Europe is not nearly as good as the safety situation here in the U.S. with regard to trains. It seems like every weekend I pick up a paper on a Sunday and there is an accident in Germany or an accident in Switzerland or an accident somewhere certainly in Eastern Europe.

How do you believe the safety record of Europe is vis-a-vis the U.S.?

Mr. LINDSEY. I don't have a lot of detailed information, but my general perception is that their safety record is pretty good. We have tended to focus more on their high-speed systems, on which the safety is excellent. Looking at the TGV or Shinkansen in Japan or the ICE service in Germany, the safety there seems to be excellent.

At grade crossings, my impression is that their safety is generally excellent, and some of us have speculated that there may be some cultural differences relevant there; that they are more attuned in at least some of those societies simply to stay in line and obey mandatory devices than we are.

Mr. WOLF. That safety, though, is from drivers. But what about the operation of the trains and the safety aspects? Maybe it is my imagination, but I tend to see a lot of train accidents. Two weeks ago there was a major train accident in Germany. Are their cars as strong, substantially; as safe as ours; or what is their overall safety record?

Not so much with regard to the motorist driving on at-grades but with regard to the operation of the trains.

Mr. LINDSEY. With respect to the things other than high-speed, Grady, would you comment there?

Mr. COTHEN. The data that is available is a little old, published by the European economic community. It suggests that on a normalized basis, safety of passenger movements in Europe and the United States would be comparable, or a little better than some of the European economic community; perhaps in some years not as good as others. I think that is with respect to passenger safety.

Last year we showed three passenger fatalities. Two of those are people who literally walked off the train, apparently intentionally. One of those was a passenger attempting to board a moving train who got caught between the platform and the train. Most years we will get through the year without a serious passenger train accident that takes the life of the unsuspecting passenger. A year like we had in 1987, with the Chase, Maryland, accident and 16 fatalities, will ruin our record entirely.

I think what you see when you look at the media is how much more the Europeans depend upon passenger train travel than we do.

With respect to structural integrity of equipment, we like the North American equipment; we think it does well in an accident environment. On the side of the Europeans, their freight equipment is smaller. I can't really say that the passenger equipment is inappropriate to the environment in which they are operating.

Mr. WOLF. So do we have much to learn from the Europeans aside from the high-speed or is there not really a good analogy that we can draw—maybe I am just wrong. Maybe I am not focusing, but it does seem that there are constant rail accidents in Europe. Perhaps you were inferring they use their trains more than we do.

Mr. COTHEN. No question about it.

Mr. **Wolf**. It appears to me we have a much better safety record than Europe; is that accurate or not accurate?

Mr. **Lindsey**. I am not entirely sure, but my sense, like Mr. Cothen's, is that the safety records are generally comparable.

Mr. **Wolf**. Could you research that for us?

Mr. **Lindsey**. Certainly.

[The information follows:]

FRA has not been able to obtain any recent European safety accident and traffic flow statistics to compare with U.S. accident statistics. Although many of the foreign Transportation ministries treat accident data as confidential. FRA is making a concerted effort to obtain the most recent published data. The number of fatalities per billion passenger-miles for the U.S. and European countries for which data could be obtained is for 1986 and 1987 and is displayed in the following chart:

RAILROAD PASSENGER SAFETY OF U.S. AND SELECTED EUROPEAN COUNTRIES [1]

	1986		1987	
	Fatalities	Rate[2]	Fatalities	Rate[2]
Denmark	2	.711	1	.337
Germany	37	1.442	3	1.647
Greece	2	1.654	3	2.452
France	43	1.159	36	.968
Portugal	24	6.671	24	4.166
United Kingdom	8	.419	3	.146
United States	4	.300	16	1.300
United States:				
1988	2	.158		
1989	8	.588		
1990	3	.220		
1991	8	.571		
1992	3	.217		

[1] Source: Eurostat—Transport and Communication Annual Statistics 1970–1987.

[2] Fatalities/billion passenger-mile

The statistics shown above indicate the passenger safety record for the U.S. is comparable to or better than European countries. The exception is 1987 when 15 Amtrak passengers and an engineer were killed in the accident at Chase, Maryland.

EUROPEAN ACCIDENT STATISTICS

Mr. **Wolf**. And when there is an accident, are there more people killed or injured in Europe versus here? Their accidents seem to be very, very major accidents. The accident in 1987 in Chase is kind of an exception here in the U.S. Germany, which is very cosmopolitan and a well-developed country, it seems like—they just had a major accident several weeks ago, a month ago. Over and over. Italy has had a number, and in Eastern Europe they have had a number.

So if you could give us some sense. My feeling is they have a lot more to learn from us than we do from them.

Mr. **Lindsey**. We will glad to.

[The information follows:]

The FRA has very limited data from which to draw conclusions regarding the safety of European railroads; however, FRA is establishing contracts with foreign nations and attempting to obtain their most recent published data.

Mr. **Cothen**. If I could add, Mr. Wolf, the Europeans are also apparently going to invest several billion dollars in an integrated signal and train control system, at least that was the last report I had. That is the kind of investment they would hope would permit them to assure positive train separation.

The American railroads face a similar issue with respect to massive investments, but these would be private investments to provide for improved signal and train control systems.

And certainly most of the very serious accidents, whether in this country or others—certainly of the many serious accidents in this country as well as Europe and Western Europe that involve serious loss of life—involve collision. So we need to be working and we are working on improved signal and train control systems on both continents.

RAILROAD RIGHTS-OF-WAY AS TRASH DUMPS

Mr. **Wolf**. We fly much more than Europeans do and the cost of flying is much less expensive here in the U.S. than there, and I think more Americans have more cars per capita than they do in Europe.

The last question, and it does not deal with any of our budgetary issues, but with something I raised before, and that is the absolute dumping grounds that the railroads have become, particularly in the Northeast Corridor. When you ride from Washington up to New York, it is a disgrace.

I was raised in southwest Philadelphia, right by the General Electric factory at 70th Street, and about a block away from my house was the Northeast Corridor. There are refrigerators, and dryers, cans, and trash. What can we do about that? I mean, a little bit of this, obviously, will take place no matter where you go, and I am not so sure it cuts down on ridership or anything like that, but is there something that can be done about that? I had heard you had a conference or something on it, but what can we do about it or is it just going to be part of the——

Mr. **Lindsey**. It is a very difficult problem to do anything about. Those who are in the best position to do something about it are the people who live near it. One of the best solutions may be neighborhood organizations and community awareness and concern, rather than a railroad action of some sort, so that people are prevented or dissuaded from dumping.

Mr. **Wolf**. Who owns the embankments?

Mr. **Lindsey**. The railroads.

Mr. **Wolf**. Has there been any effort to clean up, say, the Northeast Corridor? Has there been any effort to have civic organizations and groups—because nobody can see the embankment unless you are actually on the train?

Mr. **Lindsey**. There is a safety hazard with doing so. We are usually engaged in trying to persuade people to stay off of the railroad right-of-way because so many get killed there.

Our second most significant problem in terms of fatalities is deaths of trespassers so we are engaged most of the time in trying to persuade people to stay off of the railroad right-of-way. The difficulties with getting a community group on and keeping them safe are very substantial, especially on a corridor as heavily traveled as the Northeast Corridor with literally hundreds of trains a day.

There is very constant high-speed traffic and it is an extremely dangerous environment for a person on foot.

Mr. **Wolf**. But you take the area in southwest Philadelphia, it is not that dangerous if you are on the embankment. Obviously, if you go down on the tracks and cut across the tracks and do things like that, but what about an organized effort I asked this question several years ago and the FRA people said that they would raise the possibility of such an effort with railroad, community relations officials—such programs would necessarily be locally oriented. Was that ever raised?

Mr. **Lindsey**. I am unsure. Mr. Cothen, can you respond to that?

Mr. **Cothen**. I believe that conversation has occurred and my understanding is that the railroad officials were expressing the same concerns that Mr. Lindsey has expressed. It would have to be a very closely supervised effort certainly in order to——

Mr. **Wolf**. It is getting worse, though. Just get on the train, obviously I know you don't miss your opportunity to take the train versus the plane so I am sure you are on the train going up to New York. It is a disgrace.

Mr. **Lindsey**. It certainly is ugly and it sometimes presents safety problems of its own. We have had people dangle cinder blocks in front of trains for entertainment or dump large objects in front of trains to see what happens. Certainly, we want to prevent that kind of thing from happening, too.

RIGHTS-OF-WAY CLEANUP-SAFETY FACTORS

Mr. **Wolf**. Well, obviously, yes, that is a safety problem. But I am getting the impression, and that is fine, that I am the only one that is interested in it; All you have to do is leave Union Station and go up to the Baltimore area and it is a disgrace, and certainly you don't ride the train just for the view outside the window, but it wasn't always that way. And in 1955, when I used to go up to the railroad tracks and sit on the edge and watch the trains go by, it wasn't that way. There was no garbage over the side. There were no refrigerators over the side. There were no trash dumping over the side. Something has taken place and the attitude seems to be, and, obviously, it is not your job to take care of it, but it is there, it is kind of dangerous to clean up so you sort of translate that in, and I know this is not what you mean, but it is just going to have to be there.

Maybe some growth or brush will grow up over it, but it is a disgrace. My suggestion is we cannot clean up the whole world, but if you could just deal with the Northeast Corridor, just to see if there is anything, and maybe I will try one more year, if you could just look at it, and if you make it back, we looked at it, and we are not going to do anything and there is nothing we can do, I will understand that. But see if there could be some sort of cooperative effort.

It is very dangerous to clean up trash on roadsides. People get hit by cars, but yet civic groups, like the Rotary or Kiwanis, adopt a road. It is very common in the State of Virginia and I am sure around the country, wherein a group will adopt the road and they go out there on a Saturday morning, generally they put on orange vests, and somebody will be there to supervise and they really make a tremendous difference.

Well, in some ways, the railroad embankments could be the same thing, and if the railroads could cooperate and FRA could cooperate and civic groups could cooperate, particularly in this so-called area of concern about the environment. So if you could take another look at it.

Mr. LINDSEY. We will certainly do that, Mr. Wolf, and we share your concern for the appearance of the right-of-way. As you observe, we do ride the train all the time and we would certainly prefer that environment to be more attractive and one that would attract more riders and would be safer for railroad workers who must work in it. It doesn't make the best of situations for them to have to work among that stuff. And they have to do things up on the embankment such as brush cutting. It is a difficult problem to address, and this is a more difficult environment than the highway one, but we will address it again.

Mr. WOLF. Well, you know, you may be right. My sense is it would be less difficult because a train is on the track when a car can weave back and forth. And my sense is that it may be easier to deal with than the roads.

I am not suggesting we go back to where the deer and the antelope watch you as you go by on the train and life is wonderful, but I think we can do a lot to clean it up. I think when we talk about rail travel, the undesirability of the sites outside, particularly in areas, certain parts of the Philadelphia area and Baltimore area, and particularly when it is at grade, there is not that much of a problem because you look out and you see the level—but when you are coming into the residential areas and you are generally down and there is a large embankment, it is really a disgrace.

Somehow, someone should be dealing with this or at least looking at this to see if it can be improved. And I have no further questions, but if you can keep me informed. I want to know.

Mr. LINDSEY. We will be glad to follow up with you, Mr. Wolf.

[The information follows:]

For many years, the FRA and the railroad industry have discouraged the public from trespassing onto rail property. Rail rights-of-way and yards are very dangerous places and nowhere more so than the Northeast Corridor. To now endorse a program that encourages the public to enter onto rail property, even for the admirable chore of cleaning the right-of-way, would run counter to years of quite the opposite message.

The FRA agrees that rail property should not be a dumping ground for broken appliances and other discarded objects. It is our opinion, however, that it is safer and perhaps cheaper in the long run to have rail employees do the cleanup. The problem of course is that maintenance-of-way budgets are limited to doing the work most essential to keeping trains operating safely and comfortably at high speeds. Right-of-way cleanup, while aesthetically important, does not impact train performance. It may be possible for the Nation's railroads and, in the case of the Northeast Corridor, Amtrak, to make a more determined effort to clean up the track area especially in urban areas where trains slow down to stop.

MODEL STATE LAWS FOR CROSSING CLOSURES

Mr. WOLF. You mentioned in your budget justifications that FRA's promotions had resulted in State and industry activities to develop model State laws and procedures to close crossings. What

States are doing the best job in closing grade crossings, and is there one model State law that you are recommending to other States?

[The information follows:]

It is too early to single out specific states for crossing closure accolades. Several states have revitalized programs in recent months, probably because of the FRA initiative. FRA has communicated with Florida, Iowa, Nebraska and Ohio and they have programs underway, and there are others.

The American Association of State Highway and Transportation Officials (AASHTO) and the Association of American Railroads (AAR) have established an ad hoc committee within the National Conference of State Rail Officials (NCSRO) which is considering methods to facilitate elimination of one-fourth of the nation's highway-rail crossings. The ad hoc committee, which recognizes that only the collective efforts of all affected parties will lead to the elimination of crossings, includes officials from State and Federal agencies, railroads, trade associations, local governments, the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties and the National Association of County Engineers. This Committee will develop guidelines to identify crossings as candidates for elimination. It is also surveying State laws regarding the opening and closure of crossings, and plans to develop model legislation as well as an analytic procedure for assessing the need for a crossing. It is hoped that a report will be available by the end of the year.

RAIL GEOGRAPHIC INFORMATION SYSTEM (GIS)

Mr. WOLF. You are also requesting $50,000 for fiscal year 1994 to develop a detailed scale "map" of the U.S. Rail network, which will become part of the intermodal GIS (Geographic Information System). Once the rail, highway and MARAD portions of this GIS are completed, the DOT will have a "map" of the entire surface transportation infrastructure of the U.S. at "street level" detail. This will be invaluable not only for intermodal planning, but also for emergency response and defense purposes.

Is the GIS being developed by the Volpe Center, or elsewhere?

[The information follows:]

The detailed geographic information system (GIS) is not being developed by the Volpe Center. It is being developed by Oak Ridge National Laboratory (ORNL).

RAIL GIS COST

Mr. WOLF. What will be its total cost, and when will it be operational?

[The information follows:]

The total cost for developing the detailed 1:100,000 scale railroad GIS is estimated to be $450,000. However, this may change, depending on the outcome of Phase I currently being performed by ORNL at a cost of $50,000, which is expected to be completed by June 30, 1993. The completion date of this project depends on the funding in the next three fiscal years. Assuming a total cost of $450,000, if funding is available for this project in fiscal year 1994 ($50,000), fiscal year 1995 ($200,000) and fiscal year 1996 ($150,000), FRA expects the project to be completed by end of fiscal year 1996.

ACCESS IMPROVEMENT ON PASSENGER RAIL CARS STUDY

Mr. WOLF. As you may know, Chairman Carr has taken the initiative in this subcommittee to develop criteria for funding transportation projects, and we are currently in the process of formulating such standards. It occurs to me that this type of system with "street level" detail could be very helpful in at least determining where the most need exists for certain surface transportation projects. And, if so, Mr. Chairman, we may wish to put this project on fast forward.

I noted in your budget justifications that you are requesting $392,000 for a study of elderly and handicapped access improvements that could be made to Amtrak's equipment and facilities. I think such access is critical, and I am pleased that in addition to looking at handicapped access, you will also emphasize mobility for the elderly. In a bill I have introduced, we are looking at ways to help elderly drivers keep their licenses and I think it is important also for us to offer alternative modes of transportation so that the elderly can maintain the maximum amount of mobility.

What types of train and station improvements will you be looking at for elderly access?

[The information follows:]

In the Department of Transportation and Related Agencies Appropriations Act, 1990 (P.L. 101-164), Congress appropriated up to $400,000 (of which $8,000 was sequestered during 1991) to the Federal Railroad Administration for a grant to Amtrak to undertake research on improving access to rail passenger cars. Grant authority for these funds was included in the fiscal year 1991 Appropriations Act (P.L. 101-516).

FRA signed a grant agreement with Amtrak on September 30, 1991, for $329,000 to improve the accessibility of Amtrak passenger cars for impaired passengers. In December 1992, Amtrak awarded Carnegie Mellon University a one-year contract for $96,000 as part of the grant. The first phase of the contract is to improve accessibility of Amtrak's toilet rooms. The second phase will study and develop aids to improve accessibility through the vestibule and to develop accessible seating locations. The remaining funds are uncommitted.

Mr. Wolf. When do you anticipate concluding this study and issuing findings?

[The information follows:]

Amtrak expects that the final report will be issued in mid-summer 1993, with mock-ups and models of the work available for inspection. A video tape will also be provided.

STUDY ON IMPACTS OF LONGER COMBINATION TRUCKS

Mr. Wolf. Also on your list of fiscal year 1992 accomplishments is the completion of a study of the impacts that longer combination trucks will have on highways, shippers, and railroads. Could you briefly highlight the major findings of this study? Also, please furnish a copy of the complete study to me.

[The information follows:]

FRA had anticipated that this study would be completed in Fiscal Year 1992. Unfortunately, methodological and data problems have delayed its completion. However, it is clear at this point that the study is unlikely to meet expectations, particularly with regard to the impact of longer combination vehicles on railroads. When the study is completed, a decision will be made as to whether it merits publication.

PUSH-PULL EQUIPMENT

Mr. Wolf. Many commuter rail systems utilize locomotives which can either push or pull the train. Since most crashworthiness data pertains to locomotives in the pull mode, safety concerns have arisen concerning any crashes which might occur when the train is being pushed and a cab is in the lead.

Do any other short haul trains other than commuter trains utilize push-pull equipment?

[The information follows:]

Amtrak operates several inter-city passenger trains in the push mode. Most notable are trains operating between: Atlantic City and Harrisburg, Pennsylvania or Richmond, Virginia through Philadelphia; Chicago and Milwaukee, Wisconsin, or Detroit, Michigan or Springfield; and Los Angeles and San Diego.

Mr. **Wolf**. Is FRA doing any research in this area?

[The information follows:]

FRA is not doing research in this area.

DRUG/ALCOHOL TESTING PROGRAM

Mr. **Wolf**. You indicated that FRA's drug and alcohol program showed continued improvement in testing results during the year. Please quantify that improvement and elaborate on any factors to which attribute this success.

[The information follows:]

In random drug testing, the positive rate fell from .09 percent to .08 percent. The reasonable cause positive rate fell from 2.08 percent to 2.00 percent. The number of employees testing positive following mandatory post-accident testing fell from 8 to 7. The rate went up slightly because fewer employees were tested. The results were achieved because of implementation of a comprehensive Federal program, industry efforts and reduced tolerance by fellow employees.

Mr. **Wolf**. Thank you, Mr. Chairman.

Mr. **Carr**. Mr. Regula.

OHIO GRADE CROSSINGS RECORD

Mr. **Regula**. Thank you, Mr. Chairman. Just a couple of items. I notice Ohio is way down on the list, has a bad record on grade crossings. Does this reflect more mileage of track or does it reflect a higher percentage of accidents on grade crossings?

Mr. **Lindsey**. It is difficult to tell, Mr. Regula, just what the causes of the record is on a statewide basis. There are certainly a number of circumstances in Ohio that would suggest why. There are lots of rural areas on the one hand and a lot of accidents tend to occur at certain types of rural crossings. There are many older industrial areas where probably we have a pretty good distribution of older grade crossing devices that, for example, may not provide constant warning times. That may be implicated. Certainly vehicular traffic, I believe, has been growing heavily in Ohio. However, it is hard to pin down.

Mr. Cothen may want to observe something to supplement this in a moment, but one thing I would note about Ohio that should be flagged as we are going by, is a device called a buckeye crossbuck.

Mr. **Regula**. That is my next question, whether you are familiar with it and do you think it would be good addition nationwide?

Mr. **Lindsey**. We are looking at that. Personally, I am very impressed with it. I think it has shown a good deal of creativity. It is certainly the kind of device we should be looking at. It appears that the crossbuck no longer is as effective a warning as it once was and the "stop, look and listen" message that many of us got as children in grade school has lost some of its effect. Any device that gives the motorist better information and better direction at a crossing certainly looks like a good device. And from what I have seen so far on the Ohio crossbuck, the buckeye crossbuck is very positive. Perhaps Mr. Cothen or Mr. Krick would like to follow up on that.

Mr. COTHEN. FRA is working with the Ohio DOT with respect to that research and development. It is quite an extensive effort and we look forward to the results. We also are encouraged by the new features of the crossbuck that may eventually find their way into the MUTCD.

With respect to your question on the number of accidents and fatalities in Ohio, certainly there has been a significant effort by highway authorities in Ohio to deal with that.

Mr. REGULA. They are working hard at that.

Mr. COTHEN. But it is, I don't know exactly, the second or third ranking State for railroad traffic. There are enormous amounts of train traffic in Ohio as well as highly populated areas, as you know so well.

WELDED RAIL IN U.S.

Mr. REGULA. My understanding is a lot of crossing accidents are people driving into trains at night. They don't see them. And this crossbuck would have some features that would alleviate that in that the lights reflect off the side of the train and so on. It is, incidentally, manufactured in the 16th District which gives me an additional special interest.

I will have a sample for you, Mr. Chairman.

Well, anyway, what percent of the rail in the United States is welded rail? You talked about speed of trains increasing and probably welded rail is a factor in that. What would be your estimate of percentage of welded rail of the total?

Mr. COTHEN. I don't have a percentage, but most of the high density mainline railroad out there now is welded rail. As carriers have consolidated their routes and they have made improvements, they have put in welded rail and they have maintained it with system gangs and it makes for an extremely efficient operation, safer operation, and permits sustained higher speeds.

TRAIN LENGTHS

Mr. REGULA. I notice, too, at least it seems to me that trains are getting longer. Is that in fact what is happening, and if so, is it a safety factor?

Mr. COTHEN. The average length of trains, I believe, is continuing to grow. Two different issues there, at least. One, again, would be general merchandise trains, and the bidding 10 or 20 years ago was an attempt to get better scheduling of deliveries to customers that that would result in shorter trains.

Instead, what has happened is there has been a greater focus on preblocking at point of origin and getting trains through terminal areas more quickly. So we are looking at some railroads continuing to lengthen their trains and that is potentially a safety issue. The studies that were done some time ago did not indicate a positive correlation between train lengths and any degradation of safety.

However, greater train length does raise the potential for improper distribution of loads and empties, longer cars, shorter cars and so forth. Carriers have to focus more carefully on train makeup. In general, they are doing that. We still have some issues with some carriers, and we continue to press those issues.

The growth of intermodal traffic, again, presents a special case. These are generally slackless trains. They handle a little better on the road. They tend to be fairly long, but with a relatively smaller number of cars because the cars are multiple platform cars.

We don't believe, at this point, that train length is a particular issue there. However, the maintenance of that equipment, which is very high utilization equipment, is certainly an issue, and one with which we are working with the railroads and the owners of those cars very aggressively.

PASSENGER/FREIGHT TRAFFIC TRENDS

Mr. **Regula**. One last question. Is the trend on passenger traffic and freight, affecting that as a whole, up or down?

Mr. **Lindsey**. Up.

Mr. **Regula**. Both?

Mr. **Lindsey**. Yes.

Mr. **Regula**. Would this indicate greater economic activity or would it indicate greater usage vis-a-vis trucks and/or airplanes or passenger trucks for freight?

Mr. **Lindsey**. It is hard to generalize there. It certainly can be an indicator of greater economic——

Mr. **Regula**. I guess the question I am asking is, is rail growing as a significant portion of our transportation system?

Mr. **Lindsey**. Yes, sir, I think so. The railroads seem to be drawing back more of the freight traffic. Amtrak has been doing quite well in passenger traffic, and you will certainly hear more about that tomorrow. I think they have done a good job. For example, even through the recession, when all of the transportation industries that carry people have really suffered pretty dramatically with people cutting back, Amtrak has done well in comparison with airlines at maintaining passenger traffic.

Whether one looks at it in the short term or over a longer trend, I think rail is doing pretty well in both respects.

Mr. **Regula**. Thank you, Mr. Chairman.

Mr. **Carr**. Mr. Price.

SAFETY STAFFING INCREASES

Mr. **Price**. Thank you, Mr. Chairman.

I would like to explore with you some of the increases you have proposed here in funding and staff increases. As you know, there is a strong burden of proof against new spending, and I would like to have a better sense of how these proposed increases are related to your overall mission.

First is your request for eight positions and four FTEs for highway rail crossing specialists which is on page 48 of the budget justification. As I understand it, these will be specialists placed in your regional offices to help promote highway rail crossing safety.

Could you tell us how these specialists will add to your effort, what is the advantage to adding regional personnel?

Mr. **Lindsey**. Yes, sir. Grady, would you like to address that since they are in your office?

Mr. Cothen. Yes, sir, I welcome that opportunity. We need to have someone specifically dedicated in each of our regions to promoting improvements at highway rail crossings.

Right now, the problem is that the strategy employed is a crossing-by-crossing strategy. If we do it that way, we won't be able to afford the improvements that need to be made with available ISTEA funding.

What we need to do is focus from a rail side on priorities and marry that with the highway side and develop strategies to improve rail corridors and close crossings that truly are not needed, redundant crossings. We believe from riding the trains and talking to a lot of people that there are truly a lot of redundant crossings out there.

We need that person to implement an action plan in the region as the States implement legislation that permits closure from a State level. Barring that, working with local authorities, county councils, whoever we have to work with, to identify the problems and the opportunities.

We are getting more advantage out of the Federal funds that are available, and I might mention that some of the railroads are willing to pay bounties as well to close crossings. That is money that can be used for public safety purposes or other purposes where it serves the collective interest of all concerned.

We would like to be a catalyst to make these programs work. We think as commuter starts continue to escalate and as we add additional passenger service, particularly at higher speeds, it will also be necessary to have these people in place to assist in the planning process so we build safety into these systems rather than coming along later and asking what happened.

Mr. Lindsey. If I may supplement that a bit, Mr. Price, to put it in context, this is to address our most serious problem in terms of fatalities. More people get killed in grade-crossing accidents than anything else associated with rail. This is principally a matter of keeping motorists alive. We are very concerned with that, whether it is on some other mode of transportation or not, it is connected with us. And we want to do all we can to save lives in that quarter.

It is a very intractable problem, difficult to address. We have no other resources that can devote themselves full time to addressing this problem.

We are very delighted that Secretary Pena saw fit this year to step up and address this priority, both with the specialists and with inspectors in the field. We think it is very, very important.

STAFFING ASSIGNMENTS IN REGIONS

Mr. Price. I understand the importance of the effort. I am just questioning your rationale for assigning these regional personnel.

Did you weigh, for example, the advantages of that against, let's say, additional promotional marketing efforts with existing personnel: with the addition of people to your Washington staff? What is the reason for going regional in this regard? What are the advantages you gain from that?

Mr. Cothen. Our belief is we have to take this initiative to the grassroots and deal with the local communities as well as State highway authorities, because in many of these cases it is local communities that control those crossings. They are not on the State highway system.

We already have regional personnel heavily invested in Operation Lifesaver, and there is not much more we can do there without taking them away from other duties.

We also will need specialists to provide a degree of expertise to other personnel. We will be going out into the field and we will be doing, for instance, track inspections, and they will have an opportunity to see many grade crossings during the day. They can be eyes and ears for the program if they have appropriate guidance and appropriate systems in place.

For instance, to identify problems where there are issues with site distance at particular crossings, it may have been just recently introduced. Maybe we have vegetation growing or a structure has been erected. Maybe a private crossing has experienced a great increase in traffic as a result of a trucking company being built on the other side of the railroad, but there have been no added enhancements at all.

If we can get someone with expertise out in each of these regional offices to build programs at the local level, that is when we can start to see some really concrete results.

Mr. PRICE. Do you have any firm plans as to which regions will receive these personnel?

I noticed earlier you said that when you are talking about the bulk of the fatalities, there are relatively few States, 10 States that account for 56 percent of the fatalities, I believe you said.

Do you have any particular plans right now as to where these personnel will be concentrated, which regions?

Mr. COTHEN. We don't have concrete plans at this point except to say we are requesting eight positions, four FTEs, and we are always lucky to be able to hire at the beginning of the fiscal year. Our objective is to get a specialist into each of our regions. That is our initial objective. That would be one per region.

I am sure we would start in those regions that have the greatest safety exposure in terms of fatalities.

GRADE CROSSING SAFETY STUDY

Mr. PRICE. You are proposing a study, as I understand it, to determine the underlying causes of grade-crossing accidents in order to prescribe effective solutions to these dangers. One might argue that the request for these specialists is a bit premature until those studies are done. Or do you think you have enough knowledge right now to assign them in strategic ways that make sense?

Mr. COTHEN. Mr. Price, the overall issue of grade-crossing safety has almost been studied to death. With respect to the overall issue, we think we have plenty of knowledge now. What matters is to have the resolve to go do it.

However, the issue to which you refer, a specific development of a model uniform State law by the National Conference of State Railway Officials that will develop over time, and then the enactment of that model State law certainly will develop over time.

We will have to target our efforts at those areas where there are already, and there are in a number of States, State-level bodies that do have authority to close crossings, and to make decisions on where we put the additional highway money that is available for improvements.

We think frankly these specialists, when they reach the region, will already find themselves extremely busy with opportunities that are there already and have been identified in many cases by our existing personnel. And we think they will be fully on-task right away. Therefore, we don't think it is warranted to wait to have everything in place to start.

GRADE CROSSING RULEMAKING

Mr. PRICE. Well, if this area, as you say, has already been studied to death, then that does raise questions, though, about the research proposal. Now, maybe I need some more information about what this research work is going to involve.

You are talking here, as I understand it, not just about model codes, but about information on the performance of highway grade-crossing warning devices, determining the underlying causes of accidents in order to prescribe effective solutions, the design of systems, the testing and inspection of systems, and the causes of malfunction.

Mr. COTHEN. Thank you for directing me to the particular matter at issue. The rulemaking on inspection, testing and maintenance, warning devices, would be the rulemaking for which the additional field personnel would be utilized. That effort is well under way. We started immediately after enactment of the 1988 Rail Safety Improvement Act, with an advance notice proceeding on the issue of the functioning of these devices.

We have had extended public proceedings on that issue with respect to putting in place mechanisms that would give us better data, and we have that data in hand. We are still analyzing it, but we have the first and most important, I think, indications from the data.

We have proposed a regulation on timely response to malfunctions of those devices. We had another major public meeting on the entire issue back in December, and received a filing from rail labor and rail management in February of this year indicating their consensus recommendations for inspection, testing and maintenance standards.

If we have left the impression in the documentation that standards are a long way off, that is by no means the case. We will act very quickly this year to get the notice of proposed rulemaking out and to get those standards in place.

Undoubtedly, we will be refining those standards over a period of successive years, but the basic provisions will be in place. They will be very objective, and we will have an immediate need to enforce those standards.

What we are asking for really is a token complement of people that we can add to our signal and train control ranks so we don't draw away those people from their existing duties to look at active warning devices. One of the reasons we feel comfortable in asking for a relatively small number of inspectors at this point is that we hope to elicit participation from the States in this program as well.

But we know—based on our surveys to date in the existence of State programs in this area—that participation is going to be a little spotty, and we must have a Federal presence.

SAFETY TRAINING PROGRAM

Mr. PRICE. All right. Let me turn to your training program. You are also asking for an increase here of $539,000 in the FRA safety training program, the great bulk of which is for travel expenses, $443,000.

I wonder if you could tell me something about that training program, and particularly why you have such a large increase in travel. It would be important to know how many additional students you are anticipating this would cover and what kind of distances they have to travel.

Mr. COTHEN. We have, since 1991, revitalized the Railroad Safety Training Program. We have tried to include state inspectors in that program as full partners, and with the addition of the Hazardous Materials Uniform Transportation Safety Act authority for State participation on hazardous materials, we have additional State inspectors participating. And again, with the issuance of regulations on inspection, testing and maintenance of active grade-crossing warning devices, we would expect additional State inspectors to enter the program.

We are still behind the curve in terms of providing the training that we need for our personnel, given the turnover we have, in order to ensure uniform and consistent application of the Federal railroad safety standards throughout the nation.

Mr. PRICE. When you say "depth of training," does that imply these people need to be brought to a central location, and that there aren't alternatives in terms of perhaps the more widespread distribution of material, use of distance learning technologies or whatever? You are talking here not just about more people but an increasing share of this funding being devoted to travel.

In last year's hearings, Mr. Carr I think raised this issue. I am now referring to page 646 of the hearings last year, when the question was raised of inspector training costs.

There was a substantial increase being requested. And Mr. Carr asked that you provide a breakdown of inspector trainee average costs for fiscal 1993, and I notice here, the travel expense there was an average cost per trainee of $8,667. That sounds very, very high. That is your agency's own figures.

Mr. COTHEN. Mr. Price, I would very much welcome the opportunity to look at that issue. I can tell you that it doesn't cost that much to move inspectors from their duty station to a training class. Why those numbers look as they do, we would appreciate the opportunity to break those down again for you and give you hopefully a more intelligible explanation.

We will train about 575 people in this fiscal year and we hope to train 731 in the next fiscal year.

Mr. PRICE. That is an increment of a couple of hundred trainees that would be provided for with this increase.

Mr. COTHEN. Yes, sir.

TRAINING PROGRAM TRAVEL

Mr. **Price**. But why that disproportionately large amount devoted to travel?

Mr. **Cothen**. We don't achieve economies of scale in this program in training because we have people broken down into small disciplines, and they are coming in all the time. So we administer a basic course for a discipline and then an advanced course for a discipline, and we take the people we have in order to get a class that is of reasonable size. Those people may come from a number of participating States and a number of FRA duty stations throughout the nation.

We do try to pick locations. We work very hard at picking locations that give us low per diem rate and low travel cost. And we try to maximize use of those funds every time we plan a class. We have avoided the overhead that we would experience if we went to a more established kind of training environment. That would be a fairly substantial overhead.

Mr. **Lindsey**. We also pay attention to getting the facility inexpensively. Oftentimes, it has been possible to negotiate getting the meeting room either at a low cost or free because of the number of people who would be staying in rooms in the location where the training occurs. We are trying hard to keep the costs down.

Mr. **Price**. I think we do need a better justification for these travel figures. And if you can take a look at the information from last year and help us understand those apparently extravagant per trainee costs, just help us figure that out, and also provide a further rationalization—a rationale for your fiscal 1994 request, I think that would help us sort through this.

Mr. **Cothen**. Thank you, sir. We will.

[The information follows:]

Beginning in fiscal year 1991, the Congress funded the first of three classes of inspector trainees for the purpose of attracting persons with a wider range of backgrounds to careers in the railroad safety program. These trainees are hired at an entry level of GS–5. The fiscal year 1993 class is the final class of trainees in this program, for a total of 36 trainees. The trainees from the class hired in fiscal year 1991 are now earning promotions to GS–9, the grade level at which they select a technical discipline. As trainees progress through the program, they become more and more useful employees, learning as they perform necessary work in support of full inspectors.

The inspector trainees receive both classroom and on-the-job training, with the latter comprising the larger portion of their training. The estimated $8,667 per trainee in last year's request was related to *on-the-job* training for the inspector trainees only and was for travel *and other support expenses* (e.g., equipment, protective clothing, etc.). Of the $8,667, only $2,000 was directly related to travel.

FRA also has *formal classroom* training for *all* inspectors—Federal and State journeyman inspectors and the inspector trainees. The $443,000 increase in travel costs for training in the fiscal year 1994 request is for this program. This increase will enable FRA to increase the number of formal classes from approximately 25 to 35 and increase the number of student-weeks of training from 555 to 853. This represents a cost of approximately $1,366 per student-week for travel in fiscal year 1994. A breakdown of courses and costs for fiscal year 1993 and fiscal year 1994 follows:

FRA FORMAL TRAINING TRAVEL BUDGET

	Fiscal year	
	1993	1994 request
Travel costs (per diem and travel)	$722,000	[1]$1,165,000
Total courses	25	35

FRA FORMAL TRAINING TRAVEL BUDGET—Continued

	Fiscal year	
	1993	1994 request
Trainee courses	(9)	(6)
Inspector courses	(16)	(29)
Total student-weeks	555	853
Composition of student-weeks Federal journeyman:		
Inspectors	285	550
Federal trainees	175	120
State inspectors	95	183
Travel cost per student week	$1,301	$1,366

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[1] $443,000 increase over fiscal year 1993 funding.

IMPORTANCE OF TRAINING PROGRAM

Mr. PRICE. In a broader sense, relating this to the mission of the agency, how critical is this training to the mission of the agency? To what extent do you link serious accidents, fatal accidents to the adequacy of State inspection programs, the lack of inspectors, the number of inspectors?

Are you confident that this is money well targeted in terms of your overall mission?

Mr. COTHEN. Mr. Price, we believe it is absolutely necessary to ensure that our people have the appropriate technical training. They come to us in most cases, with the exception of our inspector trainee program, with extensive experience on the railroad, knowledge of our regulations and so forth.

But in brief one or two-week courses, we need to make sure they get an exposure to the agency's policies and procedures with respect to the application of the regulations so that railroads across the nation are treated alike. The quality of that inspection effort merits the funds that this Committee provides.

We think it is an important investment in the quality of the program, and we do believe that it results ultimately in reductions of accidents and fatalities.

The most difficult thing to do, because of the number of additional variables that exist out in the railroad industry, is to define precisely what that incremented value is that the public is realizing. We think it is considerable.

Mr. LINDSEY. I second that strongly, Mr. Price, if I may. It is very important that inspectors know the latest inspection techniques, that they become familiar with the latest changes in the regulations that they are called upon to enforce, that as we change the guidance they receive, they have a chance not merely to read it but to talk about it with knowledgeable people and exchange ideas with others in their discipline about how to go about applying them, and these training opportunities are invaluable. We regularly see the product of this in the things that come into my regular office, the Chief Counsel's Office, in terms of the violation reports, or recommendations for applications of other kinds of enforcement tools.

We haven't talked about this today particularly, but in the last couple of years we have been putting a great deal of emphasis on the use of enforcement tools other than civil penalties, many of which require a great deal more sophistication on the part of the inspector to use well. These training opportunities are very important to doing that successfully.

SAFETY TRAINING COSTS

Mr. Price. What kind of data, what kind of information are you basing your estimates of training needs on? Is this information that suggests a rather uneven need from State to State? Of course, that raises the question of what part States have in this, both in determining overall personnel levels and in sharing in the training costs.

Mr. Cothen. Mr. Price, first of all let me indicate that the average figure per trainee is approximately $1,600 rather than $8,000. We will clarify, as I say, the prior year's submission and try to give you a complete accounting on that.

Secondly, we have the qualification program for State inspectors by which they are certified. They have to bring to that certification process certain knowledge, skills and abilities, and usually those are very considerable, and in all cases meet our minimum standards set forth in regulations.

However, we only provide about a week of training per year for the people we have on board and the States have on board. That week of training is against a deficit in which no training had been done for a number of years. And we have a number of junior personnel on our roster, which is unusual for us.

What we do try to do for the States is to treat them like we treat our own people, and ensure that they have inspectors working in particular disciplines, that they get the same access to courses they need for their discipline as our people get.

We are proud that we are living up to that commitment, but it is a minimal level of training. I would like to say that it is more in-depth and more detailed, but the fact of the matter is, we rely on supervisors to augment that training, particularly in the probationary year.

We use our training specialists out in the field to do some of that where it is needed. We also have regional conferences, which are usually shorter travel distances, and we use seminar arrangements to do a lot of the updating we are unable to do in formal classes because we are not able to offer enough formal classes.

This is really basic training in what we call advanced training, but it is just the same topics in a little greater depth.

STATE PARTICIPATION IN TRAINING PROGRAM

Mr. Price. And the question of State participation in this, does that vary from State to State, or is that almost totally a Federal function?

Mr. Cothen. The States rely upon us to provide the training, and the States make their personnel available routinely to take advantage of that training. We provide travel and per diem as well as the instructional effort, and that is our contribution to induce and encourage State participation.

TRAINING TRAVEL COSTS

Mr. PRICE. If you could help us straighten out the travel figure, just our preliminary figuring here with 731 trainees, you said, an average cost of $1,600, it doesn't quite come out, at least this back of the envelope calculation doesn't quite come out to the figures we have been talking about, let alone the increase you have proposed. So if you could just help us straighten that out, both last year's figures and what you just gave me, that will be helpful.

[The information follows:]

The increase of $443,000 in training travel in fiscal year 1994 will enable FRA to increase the number of classes by 10 and the number of student-weeks of training by nearly 300. This will enable FRA to accommodate the 16 additional positions requested in the highway-rail crossing area and the nearly 25 percent increase in State inspectors, for whom FRA is committed to providing the same training as the Federal inspectors.

NORTH CAROLINA GRADE CROSSINGS

Mr. PRICE. Let me quickly conclude here with a question about our effort in North Carolina. As you may recall, our North Carolina Department of Transportation has been concerned about this issue, and at times has been taken to task for not moving as fast as they might on grade-crossing eliminations. There have been some serious accidents, widely covered, and our State Transportation Department seems to have made a good-faith effort to respond to those.

I wonder if you have made an evaluation of those efforts, of the progress that we have made in our State. Anything to report there?

Mr. LINDSEY. I have not.

Grady, have you addressed that?

Mr. COTHEN. I really don't have adequate detail to address that today, but we will be happy to submit that for the record.

We have noted some serious accidents that have occurred, and we think it is obligatory for the FRA not to criticize or critique but to step forward with solutions. We want to be more helpful in the process.

Mr. PRICE. If you have any update to provide along those lines, I would appreciate it, personally or whatever you would care to furnish for the record.

[The information follows:]

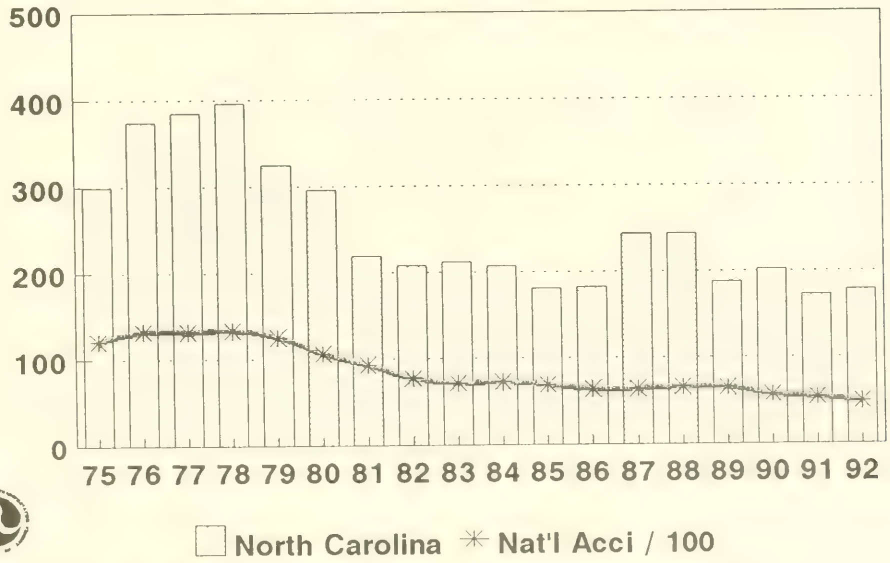
The following lists reflect the top 100 of North Carolina's public at-grade (level) highway-rail crossings ranked by predicted accidents per year. The predictions and rankings are based on five years of accident history and other crossing data taken from the U.S. DOT/AAR National Rail-Highway Crossing Inventory. The listings also show the crossings in ascending order, by crossing number, and provide location information.

These data were produced by using prediction formulas developed to aid in planning highway-rail crossing safety programs. Normalizing constants used in the final step of the prediction process have been adjusted since publication of the Summary of the DOT Rail-Highway Crossing Resource Allocation Procedure - Revised, June 1987. These constants are updated periodically to reflect more recent accident experience. New constants were published in the Rail-Highway Crossing Accident/Incident and Inventory Bulletin, No. 14, Calendar Year 1991, July 1992, page 2. Values are derived from inventory and accident data contained in FRA's computer file.

Such data are subject to keypunch errors, as well as errors received on input data forms. FRA has tried to find and correct those errors, but there remains a possibility that some still exist in the data base. For this reason, users should verify the data by making on-site inspections of those crossings where prediction ranking indicates a relative high value. Erroneous data may alter accident predictions or resource allocations. Also, this is only one model: other such existing models may give different results. As with all models, there are certain characteristics which are not or cannot be included in arriving at a prediction value. These characteristics include the sight-distance at the crossing, highway congestion, and the volume of hazardous materials traffic.

Also provided is a graph showing North Carolina's accident history at highway-rail crossings since 1975 contrasted with the National experience. Since 1978, the overall trend for North Carolina, as for the Nation, has been downward.

Highway-Rail Crossing Accidents
North Carolina vs. The Nation



Source: Federal Railroad Administration
1992 data is preliminary.

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                    TOP 100 IN NORTH CAROLINA                     17:55 TUESDAY, MAY 11, 1993    1

          **********************************************************
          *         SUMMARY  OF  INPUT   PARAMETERS                *
          *        FOR ACCIDENT AND SEVERITY PREDICTION            *
          **********************************************************

                   TITLE           : TOP 100 IN NORTH CAROLINA
                   STATE           : 37
                   COUNTY          : .
                   CITY            : .
                   RAILROAD        : .
                   CROSSING ID     :
                    BOTTOM OF RANGE: .
                    TOP OF RANGE   : .
                   RECORDS TO BE   :
                     PRINTED       : 100
                   SEVERITY TYPE   : 1   (1) PREDICTED ACCIDENTS
                                   :     (2) FATAL ACCIDENT
                                   :     (3) COMBIN. CASUALITY INDEX

          **********************************************************

                  SUM OF PREDICTED ACCIDENTS          :17.38938

                  TOTAL NUMBER OF CROSSINGS ANALYZED  :4930

                  INVENTORY DATE: AUGUST 31, 1992

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                                    TOP 100 IN NORTH CAROLINA                               17:55 TUESDAY, MAY 11, 1993    1
                                  PUBLIC HIGHWAY-RAIL CROSSINGS
                              RANKED BY PREDICTED ACCIDENTS PER YEAR

RANK   PRED      XING     ST  RR    -->  NUM   OF  ACC  <--  DATE  WD  TOTL  DAY   TOTL  TOTL  MAIN  TTBL  HWY  HWY  URBN    AADT
       ACCDS     ID                 ___  ___  ___  ___  ___  OF    CL  SWIT  THRU  THRU  TRKS  TRKS  SPD   PVD  LNS  RURL
                 #                   88   89   90   91   92  CHG       TRNS  TRNS  TRNS

   1   0.530445  720620B  NC  SOU     1    2    3    0    0        XB     4     4     8     2     1    40  YES    2  U       2500
   2   0.502163  716263U  NC  SOU     0    1    0    1    3        XB     2    12    22     3     2    60  YES    2  U       1000
   3   0.419782  715270B  NC  SOU     1    0    1    1    2        XB     6     8    16     2     2    50  YES    2  U        500
   4   0.380954  716221H  NC  SOU     2    1    1    0    0        FL     2    12    22     2     2    25  YES    2  U       4700
   5   0.378488  724396G  NC  SOU     1    1    0    1    1        XB     2    12    20     1     1    79  YES    2  U        400
   6   0.298682  629566P  NC  CSX     1    0    2    1    0        XB     1     1     1     1     1    25  YES    4  U       9200
   7   0.289371  631393C  NC  CSX     0    0    1    1    0        FL    22     5     8     1     1    30  YES    4  U      19800
   8   0.280448  715278F  NC  SOU     0    0    2    1    0        XB     6     8    16     3     2    50  YES    2  U        600
   9   0.279948  629881F  NC  CSX     0    2    0    0    0        FL     7    10    18     2     2    25  YES    4  U       9400
  10   0.270893  729595B  NC  SOU     0    1    1    1    0        XB     4    10    20     2     1    50  YES    2  R        400
  11   0.262488  629883U  NC  CSX     0    1    0    0    1        FL     7    10    18     2     2    45  YES    2  U      14000
  12   0.257113  722672A  NC  SOU     0    0    3    0    0        FL     4     1     2     1     1    30  YES    4  R       9000
  13   0.234908  631640S  NC  CSX     0    0    0    1    2        XB     0     5     8     1     1    30  YES    2  R       1050
  14   0.224970  722992A  NC  SOU     1    0    1    1    0        NO     0     3     6     1     1    59  YES    2  R        740
  15   0.223003  735229N  NC  SOU     1    0    0    1    0        FL    14     3     6     5     1    20  YES    4  U       5400
  16   0.220955  629737N  NC  CSX     0    1    1    0    1        FL     7    10    18     1     1    65  YES    2  R       1250
  17   0.217099  734746Y  NC  SOU     0    2    1    0    1        XB     0     2     4     1     1    49  YES    2  R        230
  18   0.198877  735390W  NC  SOU     0    2    1    0    0        XB     2     1     2     1     1    49  YES    2  R       1000
  19   0.198678  715352H  NC  SOU     0    0    1    0    1        GT     2    12    20     3     2    79  YES    4  U      18450
  20   0.196599  631663Y  NC  CSX     1    1    1    0    0        XB     0     5     8     1     1    30  YES    2  R        340
  21   0.195021  631813E  NC  CSX     1    0    0    0    1        XB    30     5     8     2     1    40  YES    2  U        400
  22   0.194118  629767F  NC  CSX     2    1    0    0    0        GT     4     6    16     3     2    40  YES    2  U       6000
  23   0.193269  631414T  NC  CSX     1    1    0    0    0        FL    34     5     8     1     1    30  YES    2  U       2400
  24   0.191724  715290M  NC  SOU     1    0    0    1    0        FL     2     6    16     6     2    45  YES    2  U       3200
  25   0.190885  722335J  NC  SOU     0    0    3    0    0        GT     6    14    23     4     2    40  YES    2  U       2200
  26   0.190691  720661F  NC  SOU     0    1    1    0    0        XB     4     4     8     1     1    50  YES    2  U       1000
  27   0.190411  722810L  NC  SOU     0    1    1    0    0        FL     4     0     0     1     1    25  YES    5  R      15000
  28   0.181814  715348T  NC  SOU     2    0    0    1    0        GT     0    12    20     1     1    79  YES    2  U       4000
  29   0.180248  466059D  NC  SOU     1    0    1    1    1        XB     2     0     0     1     1    30  YES    2  R        400
  30   0.179707  847230T  NC  AR      0    0    0    2    2        XB     0     2     2     1     1    35  YES    2  R        110
  31   0.179543  631483B  NC  CSX     0    1    1    1    0        XB     2     1     4     2     1    25  YES    2  R        550
  32   0.173020  735482J  NC  SOU     0    0    0    2    1        NO     1     2     2     1     0    20  YES    2  U        700
  33   0.172653  722351T  NC  SOU     0    2    1    0    0        GT     6    14    23     2     2    40  YES    2  U       1000
  34   0.170588  641621P  NC  CSX     0    0    2    1    0        XB     1     4     4     1     1    25  YES    2  R        250
  35   0.168238  735474S  NC  SOU     0    1    0    1    0        XB     0     4     8     1     1    59  YES    2  R        600
  36   0.166107  720517N  NC  SOU     1    0    0    0    2        XB     0     2     2     1     1    30  YES    2  R        630
  37   0.163460  735192B  NC  SOU     0    0    0    1    1        XB     2     2     4     2     1    49  YES    2  R       1136
  38   0.163315  630433U  NC  CSX     0    0    0    2    0        FL     8     8    10     2     1    79  YES    2  U       2000
  39   0.163060  624005J  NC  CSX     0    0    0    1    2        XB     0     2     5     1     1    45  YES    2  R        160
  40   0.161716  465662K  NC  SOU     0    0    0    1    1        XB     0     2     8     1     1    49  YES    2  R        800
  41   0.156162  722906B  NC  SOU     0    1    1    0    0        FL     8     2     4     2     1    20  YES    4  U       1400
  42   0.154295  641860P  NC  CSX     0    1    1    0    0        FL     0     4     4     2     1    25  YES    4  U       3300
  43   0.153115  715355D  NC  SOU     0    1    0    0    1        GT     4    12    20     5     2    79  YES    2  U       6210
  44   0.151996  720399N  NC  SOU     1    0    0    0    1        FL     0     5    10     1     1    30  YES    2  U       2800
  45   0.151763  836575H  NC  HPTD    1    0    0    0    1        FL     0     0     2     1     1    25  YES    4  U      14000
  46   0.151489  638866C  NC  CSX     0    0    0    1    1        XB     0     6    14     1     1    60  YES    2  R        150
  47   0.150541  722825B  NC  SOU     2    0    0    1    0        XB     4     0     0     1     1    25  YES    2  R        500
  48   0.150502  729540N  NC  SOU     0    1    0    1    0        FL     4     4     8     2     1    40  YES    2  R       2350
  49   0.149831  470134U  NC  NW      1    0    1    0    0        XB     0     5     9     1     1    35  YES    2  R        400
  50   0.147295  470206V  NC  NW      0    1    1    0    0        XB     2     4     7     1     1    35  YES    2  R        400
  51   0.146224  729577D  NC  SOU     0    0    0    0    1        XB     2    12    22     1     1    45  YES    2  U       1000
  52   0.145425  629941M  NC  CSX     0    1    0    0    0        XB     7    10    18     2     1    79  YES    2  R        500
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                                                                  TOP 100 IN NORTH CAROLINA                              17:55 TUESDAY, MAY 11, 1993    2
                                                              PUBLIC HIGHWAY-RAIL CROSSINGS
                                                          RANKED BY PREDICTED ACCIDENTS PER YEAR

RANK   PRED      XING    ST  RR   -->  NUM  OF   ACC  <--  DATE  WD  TOTL  DAY   TOTL  TOTL  MAIN  TTBL  HWY  HWY  URBN    AADT
       ACCDS     ID                                        OF    CL  SWIT  THRU  THRU  TRKS  TRKS  SPD   PVD  LNS  RURL
                 #                ___  ___  ___  ___  ___  CHG       TRNS  TRNS  TRNS
                                  88   89   90   91   92

  53  0.144991  734735L  NC  SOU    1    0    0    2    0        XB     1     2     4     1     1    20  YES   2    R       100
  54  0.144699  729706R  NC  SOU    0    0    1    0    1        XB     0     9    18     1     1    45  YES   2    R       100
  55  0.144422  722101F  NC  SOU    0    0    2    0    1        FL     0     2     2     1     1    35  YES   2    R      2000
  56  0.143041  720630G  NC  SOU    0    0    1    1    0        FL     4     4     8     3     1    45  YES   2    R      1800
  57  0.142715  722176E  NC  SOU    0    0    1    0    1        XB     1     2     2     1     1    30  YES   2    R      1500
  58  0.139721  629833R  NC  CSX    0    0    0    0    1        XB     7    10    18     2     2    79  YES   2    R       400
  59  0.139623  715302E  NC  SOU    0    1    1    0    0        GT     2     6    16     5     3    45  YES   2    U      3800
  60  0.138254  722714J  NC  SOU    1    1    0    1    0        XB     2     0     0     1     1    25  YES   2    R       450
  61  0.137679  631818N  NC  CSX    0    2    0    0    0        GT    30     2     4     1     1    30  YES   2    U      9500
  62  0.137630  631425F  NC  CSX    2    0    0    0    0        FL    34     3     4     1     1    30  YES   2    U       500
  63  0.136173  631398L  NC  CSX    1    1    0    0    0        GT    22     5     8     3     1    30  YES   2    U      5900
  64  0.135765  629882M  NC  CSX    0    0    0    0    1        FL     7    10    18     2     2    45  YES   2    U      3500
  65  0.135372  629652L  NC  CSX    0    0    0    0    2        XB     4     6    16     4     2    40  YES   1    U        80
  66  0.133812  720378V  NC  SOU    0    0    2    1    0        XB     0     5    10     1     1    30  NO    2    R        60
  67  0.133743  629677G  NC  CSX    0    0    1    0    0        XB     4     6    16     2     2    79  YES   2    R       500
  68  0.132561  629747U  NC  CSX    1    0    0    0    0        XB     7    10    18     1     1    79  YES   2    R       300
  69  0.132012  466185X  NC  SOU    1    0    0    1    1        XB     2     0     0     1     1    40  YES   2    R       200
  70  0.131232  465490E  NC  SOU    1    1    0    0    0        XB     0     2     4     1     1    35  YES   2    U       600
  71  0.131038  722389P  NC  SOU    1    0    0    1    0        XB     0     2     4     1     1    10  YES   2    U      1000
  72  0.131027  244204L  NC  CSX    0    1    0    1    0        XB     2     8    12     1     1    30  YES   2    R       100
  73  0.130930  724400U  NC  SOU    0    2    0    0    0        GT     2    12    20     2     2    55  YES   2    U      2150
  74  0.130755  630035P  NC  CSX    0    1    0    1    0        XB     7    10    18     1     1    79  NO    2    R        90
  75  0.130422  722325D  NC  SOU    2    0    0    0    0        GT     2    11    20     3     2    35  YES   2    U      2200
  76  0.129324  722470C  NC  SOU    1    1    0    0    0        XB     0     1     2     1     1    25  YES   2    U      1800
  77  0.126496  244275H  NC  CSX    0    0    1    0    2        FL     2     0     0     1     1    25  YES   2    R      1500
  78  0.125580  722183P  NC  SOU    2    0    0    0    0        XB     0     2     2     1     1    30  YES   2    R      1000
  79  0.124471  724399C  NC  SOU    0    0    0    1    0        FL     2    12    20     3     2    55  YES   2    U      2400
  80  0.124327  729599D  NC  SOU    1    0    0    0    0        XB     2     8    16     2     1    50  YES   2    U       600
  81  0.123135  720340Y  NC  SOU    0    0    1    1    0        XB     0     2     4     1     1    30  NO    2    R      2200
  82  0.123068  722935L  NC  SOU    0    0    0    1    1        XB     2     0     0     2     1    40  YES   2    R      2250
  83  0.122738  629679V  NC  CSX    1    1    0    0    0        GT     4     6    16     3     2    79  YES   2    R      2200
  84  0.120691  630988E  NC  CSX    0    0    1    1    0        FL     2     4     8     1     1    35  YES   2    R       870
  85  0.120469  729532W  NC  SOU    0    0    0    0    2        XB     4     4     8     1     1    40  YES   1    R        75
  86  0.120032  629832J  NC  CSX    1    0    0    0    1        GT     7    10    18     2     2    79  YES   2    R      1100
  87  0.119819  724398V  NC  SOU    1    0    0    1    0        GT     2    12    20     1     1    79  YES   2    U      1850
  88  0.119797  244256D  NC  CSX    1    0    0    1    0        FL     4     3     6     1     1    50  YES   2    R       900
  89  0.119674  715308V  NC  SOU    0    0    0    1    0        XB     2    15    30     2     2    65  YES   2    U       150
  90  0.119327  641865Y  NC  CSX    2    1    0    0    0        XB     1     0     0     1     0    10  YES   2    R       190
  91  0.118076  631718J  NC  CSX    0    0    1    1    0        XB     0     6     8     1     1    30  YES   2    R       100
  92  0.117792  735249A  NC  SOU    0    0    1    1    0        GT     0    18    33     2     1    79  YES   2    R       850
  93  0.117416  722701H  NC  SOU    0    1    0    0    0        FL     4     0     0     1     1    10  YES   4    U     20000
  94  0.117355  722613X  NC  SOU    1    0    0    0    1        NO     2     0     0     1     1    30  YES   2    U      2000
  95  0.117008  722611J  NC  SOU    0    0    0    0    1        FL     2     1     1     1     1    30  YES   4    U     16000
  96  0.116767  713726E  NC  SOU    0    0    1    0    0        XB     6     0     0     3     0    40  YES   4    U      9500
  97  0.116608  715272P  NC  SOU    0    0    0    0    1        XB     6     8    16     2     2    50  YES   2    U       350
  98  0.116365  629731X  NC  CSX    0    0    0    0    1        XB     7    10    18     1     1    79  YES   2    R       150
  99  0.115811  466041T  NC  SOU    1    0    0    0    1        FL     2     0     0     3     1    15  YES   2    U      8000
 100  0.115471  630839D  NC  CSX    0    0    0    1    0        XB     0     8    10     4     2    79  YES   2    R       400
                                   ==   ==   ==   ==   ==
                                   46   43   49   47   47
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                                                    TOP 100 IN NORTH CAROLINA                          17:55 TUESDAY, MAY 11, 1993    3
                                                PUBLIC HIGHWAY-RAIL CROSSINGS
                                              RANKED BY PREDICTED ACCIDENTS PER YEAR
                                                SORTED BY HIGHWAY-RAIL CROSSING ID

OBS    XING       PRED       RANK   ST    COUNTY         CITY               RR     ROAD                   RRID    MILEPOST
       ID         ACCDS
       #

  1    244204L    0.131027     72   NC    MCDOWELL       ASHFORD            CSX                            057     019461
  2    244256D    0.119797     88   NC    RUTHERFORD     ALEXANDER MILLS    CSX                            058     024944
  3    244275H    0.126496     77   NC    RUTHERFORD     CLIFFSIDE          CSX                            024     D430
  4    465490E    0.131232     70   NC    PITT           GREENVILLE         SOU    BROWNLEA ST                     S14535
  5    465662K    0.161716     40   NC    WAKE           WENDELL            SOU    CYPRESS ST                      S21351
  6    466041T    0.115811     99   NC    CRAVEN         BRIDGETON          SOU                                    BB175
  7    466059D    0.180248     29   NC    CRAVEN         NEW BERN           SOU                                    NB2780
  8    466185X    0.132012     69   NC    WASHINGTON     PLYMOUTH           SOU                                    S10640
  9    470134U    0.149831     49   NC    ROCKINGHAM     STONEVILLE         NW                                     008230
 10    470206V    0.147295     50   NC    FORSYTH        WALKERTOWN         NW     CROSS OVER                      011795
 11    624005J    0.163060     39   NC    BLADEN         CLARKTON           CSX                                    032231
 12    629566P    0.298682      6   NC    CUMBERLAND     SPRING LAKE        CSX    HONEYCUTT                       020195
 13    629652L    0.135372     65   NC    HALIFAX        WELDON             CSX    CITY                            008355
 14    629677G    0.133743     67   NC    NASH           WHITAKERS          CSX    FIRST                           010672
 15    629679V    0.122738     83   NC    NASH           WHITAKERS          CSX                                    010699
 16    629731X    0.116365     98   NC    JOHNSTON       BENSON             CSX                                    017709
 17    629737N    0.220955     16   NC    JOHNSTON       BENSON             CSX    CHURCH                          017978
 18    629747U    0.132561     68   NC    HARNETT        DUNN               CSX                                    018454
 19    629767F    0.194118     22   NC    NASH           ROCKY MOUNT        CSX    BASSETT                         011984
 20    629832J    0.120032     86   NC    NASH           SHARPSBURG         CSX    MAIN ST                         012477
 21    629833R    0.139721     58   NC    NASH           SHARPSBURG         CSX    MOORE                           012508
 22    629881F    0.279948      9   NC    CUMBERLAND     FAYETTEVILLE       CSX    HAY                             020970
 23    629882M    0.135765     64   NC    CUMBERLAND     FAYETTEVILLE       CSX    FRANKLIN                        020978
 24    629883U    0.262488     11   NC    CUMBERLAND     FAYETTEVILLE       CSX    RUSSELL AT ROWAN                020984
 25    629941M    0.145425     52   NC    JOHNSTON       KENLY              CSX                                    015556
 26    630035P    0.130755     74   NC    WILSON         LUCAMA             CSX                                    014228
 27    630433U    0.163315     38   NC    VANCE          HENDERSON          CSX    ROCK SPRING ST                  011344
 28    630839D    0.115471    100   NC    RICHMOND       HAMLET             CSX    SPEAR ST.                       025365
 29    630988E    0.120691     84   NC    ROBESON        PEMBROKE           CSX                                    028376
 30    631393C    0.289371      7   NC    MECKLENBURG    CHARLOTTE          CSX    CENTRAL AVE.                    032884
 31    631398L    0.136173     63   NC    MECKLENBURG    CHARLOTTE          CSX    N. DAVIDSON ST.                 032976
 32    631414T    0.193269     23   NC    MECKLENBURG    CHARLOTTE          CSX    SUMMIT AVE.                     033146
 33    631425F    0.137630     62   NC    MECKLENBURG    CHARLOTTE          CSX    GOFF ST.                        033380
 34    631483B    0.179543     31   NC    COLUMBUS       RIEGELWOOD         CSX                                    034339
 35    631640S    0.234908     13   NC    GASTON         ALEXIS             CSX                                    035190
 36    631663Y    0.196599     20   NC    LINCOLN        BOGER CITY         CSX                                    035884
 37    631718J    0.118076     91   NC    RUTHERFORD     BOSTIC             CSX                                    040268
 38    631813E    0.195021     21   NC    GASTON         MOUNT HOLLY        CSX    LEE ST                          034181
 39    631818N    0.137679     61   NC    GASTON         MOUNT HOLLY        CSX    MAIN ST.                        034227
 40    638866C    0.151489     46   NC    UNION          MONROE             CSX                                    030992
 41    641621P    0.170588     34   NC    PITT           WINTERVILLE        CSX                                    015430
 42    641860P    0.154295     42   NC    PITT           GREENVILLE         CSX    AIRPORT                         014794
 43    641865Y    0.119327     90   NC    CUMBERLAND     FAYETTEVILLE       CSX                                    021657
 44    713726E    0.116767     96   NC    GUILFORD       GREENSBORO         SOU    YANCEYVILLE RD                  00NONE
 45    715270B    0.419782      3   NC    ROWAN          SALISBURY          SOU    "D" AVE                         033549
 46    715272P    0.116608     97   NC    ROWAN          SALISBURY          SOU    "C" AVE                         033540
 47    715278F    0.280448      8   NC    ROWAN          SALISBURY          SOU    LUMBER ST                       033585
 48    715290M    0.191724     24   NC    ROWAN          SALISBURY          SOU    E KERR ST                       033357
 49    715302E    0.139623     59   NC    ROWAN          SALISBURY          SOU    E 11TH ST                       033294
 50    715308V    0.119674     89   NC    ROWAN          SPENCER            SOU    HACKETT ST                      032976
 51    715348T    0.181814     28   NC    MECKLENBURG    CHARLOTTE          SOU    HICKORY GROVE RD                037071
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                                          TOP 100 IN NORTH CAROLINA                           17:55 TUESDAY, MAY 11, 1993    4
                                       PUBLIC HIGHWAY-RAIL CROSSINGS
                                    RANKED BY PREDICTED ACCIDENTS PER YEAR
                                      SORTED BY HIGHWAY-RAIL CROSSING ID

 OBS    XING      PRED      RANK   ST     COUNTY        CITY              RR       ROAD                RRID     MILEPOST
        ID        ACCDS
        #

  52   715352H   0.198678    19    NC   MECKLENBURG   CHARLOTTE          SOU    SUGAR CREEK RD                   037402
  53   715355D   0.153115    43    NC   MECKLENBURG   CHARLOTTE          SOU    CRAIGHEAD RD                     037439
  54   716221H   0.380954     4    NC   GASTON        GASTONIA           SOU    MARIETTA ST                      039929
  55   716263U   0.502163     2    NC   CLEVELAND     KINGS MOUNTAIN     SOU    HAWTHORNE RD                     041149
  56   720340Y   0.123135    81    NC   HAYWOOD       CLYDE              SOU    CHARLES                          T2139
  57   720378V   0.133812    66    NC   BUNCOMBE      CANTON             SOU                                     T960
  58   720399N   0.151996    44    NC   BUNCOMBE      ASHEVILLE          SOU    JOHNSTON BLVD                    T226
  59   720517N   0.166107    36    NC   HENDERSON     HENDERSONVILLE     SOU                                     TR730
  60   720620B   0.530445     1    NC   BUNCOMBE      ASHEVILLE          SOU    LIBERTY ST                       W174
  61   720630G   0.143041    56    NC   BUNCOMBE      ASHEVILLE          SOU    MILL GAP RD                      W610
  62   720661F   0.190691    26    NC   HENDERSON     HENDERSONVILLE     SOU    SHEPPARD ST                      W2168
  63   722101F   0.144422    55    NC   GUILFORD      GREENSBORO         SOU    SANDY RIDGE RD                   K951
  64   722176E   0.142715    57    NC   GUILFORD      GREENSBORO         SOU    RITTER LAKE RD                   CF7520
  65   722183P   0.125580    78    NC   GUILFORD      GREENSBORO         SOU                                     CF7750
  66   722325D   0.130422    75    NC   DAVIDSON      THOMASVILLE        SOU    COLLEGE ST                       030560
  67   722335J   0.190885    25    NC   GUILFORD      HIGH POINT         SOU    TAYLOR AVE                       029996
  68   722351T   0.172653    33    NC   GUILFORD      HIGH POINT         SOU    HOSKINS ST                       029798
  69   722389P   0.131038    71    NC   RANDOLPH      ARCHDALE           SOU    ARCHDALE BLVD       NC 68        M351
  70   722470C   0.129324    76    NC   RANDOLPH      ASHEBORO           SOU                                     M2389
  71   722611J   0.117008    95    NC   CARTERET      MOREHEAD CITY      SOU    24TH ST                          EC9244
  72   722613X   0.117355    94    NC   CARTERET      MOREHEAD CITY      SOU    22ND ST                          EC9260
  73   722672A   0.257113    12    NC   CARTERET      HAVELOCK           SOU                                     EC8140
  74   722701H   0.117416    93    NC   CRAVEN        NEW BERN           SOU    BROAD ST                         EC5896
  75   722714J   0.138254    60    NC   CRAVEN        NEW BERN           SOU                                     EC5149
  76   722810L   0.190411    27    NC   LENOIR        LA GRANGE          SOU                                     EC2389
  77   722825B   0.150541    47    NC   LENOIR        LA GRANGE          SOU                                     EC1972
  78   722906B   0.156162    41    NC   GUILFORD      GREENSBORO         SOU    S DUDLEY ST                      H067
  79   722935L   0.123068    82    NC   JOHNSTON      PRINCETON          SOU    PINE ST                          H11760
  80   722992A   0.224970    14    NC   ALAMANCE      GIBSONVILLE        SOU                                     H1587
  81   724396G   0.378488     5    NC   ROWAN         LANDIS             SOU    E.ROUND ST                       034607
  82   724398V   0.119819    87    NC   ROWAN         KANNAPOLIS         SOU    E 22ND ST                        034728
  83   724399C   0.124471    79    NC   ROWAN         KANNAPOLIS         SOU    E 18TH ST                        034810
  84   724400U   0.130930    73    NC   ROWAN         KANNAPOLIS         SOU    EBENEZER RD                      034806
  85   729532W   0.120469    85    NC   HENDERSON     HENDERSONVILLE     SOU    CLOVERDALE                       W1583
  86   729540N   0.150502    48    NC   HENDERSON     HENDERSONVILLE     SOU    BERKLEY ROAD                     W1782
  87   729577D   0.146224    51    NC   CATAWBA       HICKORY            SOU    7TH AVE NE                       S5670
  88   729595B   0.270893    10    NC   CATAWBA       CONOVER            SOU                                     S5168
  89   729599D   0.124327    80    NC   CATAWBA       CONOVER            SOU                                     S4998
  90   729706R   0.144699    54    NC   IREDELL       STATESVILLE        SOU                                     S2006
  91   734735L   0.144991    53    NC   DURHAM        DURHAM             SOU    GLOVER RD                        H5898
  92   734746Y   0.217099    17    NC   DURHAM        RALEIGH            SOU    ALSTON AVE RD                    H6457
  93   735192B   0.163460    37    NC   ORANGE        DURHAM             SOU                                     H4707
  94   735229N   0.223003    15    NC   DURHAM        DURHAM             SOU    BLACKWELL ST                     H5509
  95   735249A   0.117792    92    NC   ROCKINGHAM    REIDSVILLE         SOU                                     025074
  96   735390W   0.198877    18    NC   WAKE          RALEIGH            SOU                                     0H9204
  97   735474S   0.168238    35    NC   ORANGE        BURLINGTON         SOU                                     H3279
  98   735482J   0.173020    32    NC   WAKE          RALEIGH            SOU    HOKE-ST                          H8210
  99   836575H   0.151763    45    NC   DAVIDSON      THOMASVILLE        HPTD   RANDOLPH ST.                     000790
 100   847230T   0.179707    30    NC   CUMBERLAND    FAYETTEVILLE       AR                                      003195
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Mr. **Price**. Thank you, Mr. Chairman.

STATE RAIL INSPECTORS

Mr. **Carr**. In fiscal 1991 there were 112 State rail inspectors, and that number was virtually unchanged in 1992, but you expected as many as 146 in 1993. What is the estimate for fiscal year 1993, and for 1994?

Mr. **Lindsey**. I believe at present there are 127, and as to the estimate for fiscal year 1994—do you have one, Mr. Cothen?

Mr. **Cothen**. I don't have a concrete estimate because we are still surveying the States to see what participation we are going to get on inspection, testing and maintenance of the automated warning device, but we will see the addition of a few hazardous materials inspectors and some grade-crossing inspectors.

Mr. **Carr**. Two States, Michigan and New Jersey, dropped out. Why?

Mr. **Cothen**. In general, the dropouts have been State funding constraints, in both those cases, I believe.

SANITARY FOOD INSPECTION STUDY

Mr. **Carr**. You are required under the Sanitary Food and Transportation Act to conduct railcar inspections to ensure that back hauling of non-food commodities doesn't cause the contamination of food later carried in those cars. Over the past there has been little evidence of food contamination from back hauling, although there are anecdotal stories from time to time.

Last year the Congress denied funding for implementation of this legislation pending stronger evidence. The Moakley Transportation Center is conducting a cost-benefit analysis of carrying out this obligation. What is the status of that study, do you know, and do you have any idea when it is going to be completed?

Mr. **Lindsey**. No, sir, we don't. We will have to supply that for the record. But I can say that we are not aware of any greater evidence of contamination.

Mr. **Carr**. Is the regulatory activity being held up pending the study?

Mr. **Lindsey**. I know it has not been completed. Whether they are holding it up awaiting the study, I am unsure.

[The information follows:]

The Research and Special Programs Administration advises that the study was completed in 1992 and that the Notice of Proposed Rulemaking has been prepared and is under active review.

SANITARY FOOD TRANSPORTATION ACT IMPLEMENTATION

Mr. **Carr**. Has any new information come to light over the last year which might alter FRA's view of the need for this type of inspection activity?

Mr. **Lindsey**. No, sir.

Mr. **Carr**. No new statistics?

Mr. **Lindsey**. None.

Mr. **Carr**. No new anecdotes?

Mr. **Lindsey**. None that have come to my ears.

Has anyone heard an anecdote?

Mr. CARR. How much are you requesting for the implementation of the Sanitary Food Transportation Act?

Mr. LINDSEY. Nothing, Mr. Chairman.

ACCIDENT/INCIDENT REPORTING RULEMAKING

Mr. CARR. We have a number of questions on the national inspection plan that we will ask for the record. Similarly with penalty enforcement. And a couple of more on the state inspections.

A couple of years ago on accident reporting, the GAO noted that the industry was underreporting their employee accident rates, and you began a rulemaking to revise the accident incident reporting criteria. Have you issued that rule yet?

Mr. LINDSEY. No, sir, we have not.

Mr. CARR. Why has it taken so long?

Mr. LINDSEY. Principally because it got pushed aside by other and higher priorities. We have continued to work on it, but it keeps getting preempted. We believe we will complete it this year, but it has simply gotten moved aside.

LRFA FUNDING

Mr. CARR. I have another question on that subject I will submit for the record, one on employee rest cycles and continuous rail, something Mr. Regula talked about.

A question on the locomotive operators' certification.

Back to LRFA, I still want to explore with you this notion that somehow or other we are supposed to spend millions, indeed billions of dollars on new high-speed rail and yet we can't seem to keep the program together to help the collector network of the rail system maintain its capital base.

It would seem to me that that is a slightly misplaced priority. Whatever the virtues of high-speed rail might be, it would seem we should not neglect the freight collector network out there. You apparently asked for LRFA funds, did you not?

Mr. LINDSEY. I am a little bit confused on our own record there, given the back and forth between the two budgets. In the Bush budget, FRA did not. When the Clinton Administration came in, I think in the end as things got sorted out, you may as well count us as not having asked for it.

Mr. CARR. Is it the feeling of the agency that it is not an important program?

Mr. LINDSEY. No, sir, we do think it an important and meritorious program. This year, it simply couldn't be fit in.

Mr. CARR. What caused it not to be fit in? Where was the tradeoff? What are you proposing we buy that is more important than this?

Mr. LINDSEY. Our first priority is safety. It always is. Funding for Amtrak was given a high priority this year.

The Administration, as we will discuss tomorrow, is recommending much more for Amtrak than previous administrations have done. And there is major funding recommended for the President's high-speed rail initiative.

Certainly an issue that gets balanced in looking at this sort of thing is the extent to which States and localities and shipper organizations will step up to assist railroads who need this sort of help in funding their needs. And there is a lot of evidence that they will do a great deal.

We find in the LRFA grants we have considered in recent years that there is a great deal of matching money out there. The base requirement is about 40 percent, and that is regularly overmatched in many of the programs that we see, so there are other stakeholders out there who are stepping up to the plate to help. Also, as I recited earlier, the railroads that seem unable to finance their needs in the private sector are comparatively few railroads, carrying very, very little of the traffic. There has been some debate over the extent of the need, even though it is clearly, I think, in everybody's view, important that this sector of the railroad industry remain healthy.

TRANSPORTATION TEST CENTER REHABILITATION

Mr. Carr. This Member of Congress is really quite interested in the LRFA funding. I would ask a number of questions for the record that relate to its use, assuming it is funded.

We have some Section 511 loan guarantee questions which we will ask for the record.

In 1993, we added $500,000 for upgrade and rehabilitation of the transportation test center. Have these funds been obligated yet?

Mr. Krick. Some of them have been obligated. Some are in the procurement process and should be obligated within the month, I would think.

Mr. Carr. What are they being used for?

Mr. Krick. We went through a prioritization process on the needs. The first process was fixing some roofs that were leaking over the laboratory type of equipment, and that took the majority of the funds.

There were also some secondary uses for the funds—there is a solar heating and cooling system, an experimental system that we set up for one of the laboratory systems, which has been leaking quite a bit and needed restoration.

Mr. Lindsey. In general, Mr. Chairman, I would note there has been very little done to maintain the TTC in a very long time, and it is continuing to deteriorate as all physical objects do. The investment is certainly generally necessary to maintain that facility, which is a unique one.

Mr. Carr. Well, I hope to get out there and see it sometime so I have an understanding of what the needs are there. It is hard to visualize this place in the committee room here.

Mr. Lindsey. I hope that you do, too.

Mr. Carr. I have a number of questions on locomotive fuel tank integrity that we will ask for the record, also with the crashworthiness of locomotives, and attorneys in the regional offices.

UNITED STATES-MEXICO RAIL OPERATIONS

Mr. Coleman. Please describe the scope of FRA activities with respect to Mexico. I am interested in what rail activities are planned in anticipation of the North American Free Trade Agreement. I understand that one project envisions utilizing rail and port facilities. What is the status of this initiative?

[The information follows:]

The Federal Railroad Administration is involved in several activities with respect to rail operations between the United States and Mexico. FRA is a member of the U.S.-Mexico Transportation Working Group and of the U.S. State Department's Binational Committee on Bridges and Border Crossings. Each of these activities furthers the goal of improving rail transportation between the United States and Mexico in anticipation of increased trade between the countries. Additionally, FRA was presented in the U.S. delegation on land transportation for the North American Free Trade Agreement negotiations.

The U.S.-Mexico Transportation Working Group is a government-to-government group that works to correct institutional problems that may impede cross-border transportation. The Department of Transportation chairs the U.S. delegation; the Secretariat of Communications and Transportation chairs the Mexican delegation.

As a member, FRA has worked to alleviate border congestion by encouraging both streamlined customs and rail operating procedures and the involvement by U.S. rail carriers in Mexico through trackage rights, leases of lines, or investment in Mexican rail infrastructure. FRA is a member of four subgroups: Cargo by Rail and Motor Carrier, Truck Size and Weight Standards, Hazardous Materials, and Tourism and chairs a fifth subgroup, Rail Safety and Technical Standards. The Transportation Working Group is starting the work of harmonizing rail safety and operating regulations between the two countries.

FRA participation on the Binational Committee on Bridges and Border Crossings, an interagency group, includes approving new bridges or crossings on the U.S.-Mexico border and coordinating the building and staffing of inspection facilities on the border. The Binational Committee is currently reviewing several applications to build railroad bridges across the international border, including a rail and highway crossing between the Port of Brownsville, Texas and Matamoros, Mexico. The Port of Brownsville's application is under review by this committee.

Additionally, FRA is participating in a Federal Highway Administration study of international trade corridors mandated by the Intermodal Surface Transportation Efficiency Act of 1991. FRA has also funded, in cooperation with FHWA and the Federal Aviation Administration, an economic feasibility study of a multimodal facility in Santa Teresa, New Mexico. The proposed facility would include rail, truck, and air freight facilities in the vicinity of the new land border crossing at Santa Teresa, New Mexico.

Several private initiatives will utilize multimodal approaches in U.S.-Mexico rail transportation. The Burlington Northern Railroad initiated a barge service in April, 1993, hauling grain trains between Galveston, Texas and the eastern Mexican port of Coatzacoalcos. The Ferrocarriles Nationales de Mexico will haul the grain to the interior of Mexico. Additionally, the Southern Pacific Railroad has purchased an interest in a Mexican company, Ferropuertos, which will construct facilities to handle grain, minerals and intermodal traffic moving between the U.S. and Mexico.

LRFA APPLICATIONS

Mr. COLEMAN. I was dismayed to learn that the proposed fiscal year 1994 budget did not include any funds for the Local Rail Freight Assistance Program. I recognize that this is a small program. How many applications did you receive in fiscal year 1992? How many were funded. Please provide the same numbers for the current fiscal year.

[The information follows:]

In fiscal year 1992, 45 entitlement applications were submitted and funded. A total of 38 applications for fiscal year 1992 discretionary funds were received and 27 applications were approved. One application was approved with fiscal year 1991 carryover discretionary funding.

During fiscal year 1993, 45 states submitted entitlement applications. Of these, 43 applications have been funded. The remaining 2 entitlement applications will be approved when they have been completed. A total of 35 applications for fiscal year 1993 discretionary funds have been received and 31 were approved.

NATIONAL INSPECTION PLAN

Mr. CARR. A couple of years ago you began making some much needed improvements to your inspection program. These included the development of the National Inspection Plan, a risk-based system which allows you to target your resources to the most needed areas.

Is this system fully operational today, or are there further improvements to be made?

[The information follows:]

The National Inspection Plan, with the currently available data, is considered to be fully operational today except for the hazardous material discipline. A large portion of this discipline's plan has not been implemented due to limited information about hazardous material facilities which are not part of the railroad industry. FRA Federal inspectors are currently gathering data that will be used in the plan so this portion of their inspection activity can be directed as the rail portion has been in the National Inspection Plan.

As to the other disciplines, the plan became fully operational in 1992. Modifications were made for the 1993 NIP, and FRA will pursue further improvements as experience is gained and as new and better data becomes available. FRA also plans for any of the disciplines to make changes when follow-up analysis clearly support modifications. The objective is to continually make modifications, if it is believed that the outcome will be an improved planning method.

FRA believes it is important to put the National Inspection Plan model in the proper perspective since its findings are limited to historical data that is available by state. FRA managers in the regions are directed to used the model's recommendations to help them establish their regional plans. This means the model will be modified during the year to take into account current events. Changes to the model are formally reported to headquarters for review.

INSPECTOR STAFF ALLOCATION MODEL

Mr. CARR. Would you update us on your efforts to improve workload measurement for your inspection staff and to develop a more effective inspector staff allocation model?

[The information follows:]

The Quality Improvement Plan is considered a complete program which will receive minor revisions as needed to reflect changes in future work measurement activity. FRA's Staffing Allocation Model is complete enough to allocate available staff nationwide. To complete what is planned for the model, FRA needs to complete gathering of the Regional Inspection Points Program data, which is an inventory of the volume of significant railroad and hazardous material shipper activities covered by Federal regulations. This data will be used with work measurement information and frequency of inspection objectives to help FRA determine how many inspectors are needed to accomplish a specific objective.

Mr. CARR. To what extent is the allocation process dependent on where existing resources are located?

[The information follows:]

The Staffing Allocation Model uses risk factors to allocate resources nationwide without regard to where existing resources are located. Model findings are compared with actual staffing locations to determine where future hiring should occur.

NIP-STATE INSPECTION RESOURCES

Mr. CARR. How does the National Inspection Plan take into account the existence of State inspection resources? Do States providing track inspectors, for example, receive more inspection coverage than States without such inspectors?

[The information follows:]

The National Inspection Plan first directs Federal field staff to locations of greatest safety concern. This allocation process, using risk factors such as passenger traffic, hazardous material tons, accidents, casualties, total tons, inspections and defects found, is then applied to state inspector staffing.

If a state has track inspectors, these inspectors are added to the Federal coverage in that state. FRA believes that the 29 states with 127 inspectors expect the additional coverage which they have financed. Moving Federal inspectors out of these states means that the states without state inspectors are actually being subsidized by the states having their own inspectors. (This occurs when Federal inspectors are moved from states with state inspectors to states having no state inspectors.)

HAZMAT INSPECTORS

Mr. CARR. Last year you told us that implementing this program for your hazardous materials inspectors would take longer than the rest of your program. Why is this? When will the HAZMAT improvements be in place?

[The information follows:]

Completing the National Inspection Plan for the hazardous material discipline is dependent on finalizing the gathering of data for the Regional Inspection Points Program. This program is an inventory of railroads and shippers of hazardous material. FRA's limited field staff is developing this inventory while conducting regular inspection activity. FRA is planning to have a usable inventory by December, 1993. The data will be incorporated into the National Inspection Plan during CY 1994. FRA will then be able to add shippers to the National Inspection Plan for the hazardous material discipline.

ELECTRONIC CLIPBOARD TECHNOLOGY FOR INSPECTORS

Mr. CARR. We discussed with the FAA the possibility of using portable electronic clipboard technology for their inspection work force. Do FRA inspectors use such devices, and if so, what specific improvements in the inspection process arise from their use?

[The information follows:]

The FRA used an electronic clipboard device to record inspections two years ago. The objective of using this clipboard is to reduce the time an inspector needs to complete an inspection by allowing him/her to record the inspection activity directly into the computer. The process would also permit the computer to assist inspectors in finding and recording the correct defect. Any savings would be in inspector time and reduced data entry costs.

The results of the study of the potential use of electronic clipboards for FRA inspection activities were less than impressive. The character recognition was low and the inspectors spent more time completing inspection forms rather than reducing the time. Also, the number of errors in the completed document was much higher.

The FRA is not currently planning any further study of electronic clipboard devices.

INSPECTORS' VISITS TO SMALL RAILROADS

Mr. CARR. As part of your inspection plan, you intended to visit each small railroad at least once a year. Did you meet that goal over the past year?

[The information follows:]

FRA records show that all railroads that are part of the general railroad system were visited by either Federal or State inspectors in 1992. FRA defines the general system of transportation as "the network of standard gage railroads over which the interchange of goods and passengers throughout the nation is possible—including even certain railroads not physically connected to the continental system such as a freight railroad in Alaska with which other American railroads interchange cars by means of intermediate modes of transport." 49 C.F.R. Part 209, Appendix A.

INSPECTOR STAFFING AUTHORIZATIONS

Mr. CARR. Last year Congress added 15 inspector staff years above your budget request. Have all of these people been hired?

[The information follows:]

The 15 inspector staff years added to the fiscal year 1993 budget request was a restoration to the base. Of the 358 inspector FTEs authorized, there are currently 354 on board.

CLASS I RAILROAD STATUS CHANGE

Mr. CARR. Last year the ICC raised the threshold to qualify as a class I railroad from $50 million to $250 million, based on a petition from the Montana Rail Link and Wisconsin Central railroads. Class I status is significant, since industry monitoring and safety inspection activities are more rigorous for class I railroads.

What are the safety records of the railroads which requested the change, and how do they compare to the industry average?

[The information follows:]

As a result of this change, the only railroad that no longer qualifies as a Class I carrier is the Florida East Coast. In 1991, their accident rate was 5.23 accidents per million train miles and the industry rate was 4.61. In 1992,[1] their rate was 3.66 and the industry rate was 3.94. In 1991, the Wisconsin Central and the Montana Rail Link had accident rates of 10.83 and 7.66, respectively. In 1992 their rates were 9.34 and 7.41. All rates exclude highway-rail accidents.

The FRA does not make any distinctions in its inspection plans for Class I carriers. The National Inspection Plan (NIP) classifies railroads as either large or small. Large railroads have over 200 full-time-equivalent employees. The Florida East Coast, Montana Rail Link and Wisconsin Central all meet that classification.

CIVIL PENALTY ASSESSMENTS

Mr. CARR. When a rail inspector writes up a deficiency, that violation enters the penalty process. In past years we discussed FRA's backlog of violation reports and your attempts to reduce the backlog.

Last year you told us that the backlog had been virtually eliminated, which is a testimonial to your hard work. You also said you wanted to reach a goal of assessing civil penalties in an average of four months by the end of calendar year 1992.

Where do you stand today, and did you meet that goal?

[The information follows:]

FRA is pleased to inform the Committee that the goal of transmitting civil penalty violation reports in an average of 120 days from their receipt in the Office of Chief Counsel has been met. This compares to average times in excess of two years in 1989 and 1990. In January 1993, the average time was down to 112 days. FRA is more current than ever in transmitting violation reports and, barring any unanticipated increase in workload or staff departures, should remain timely. This success can be attributed to two things: additional human resources and improvements in the process, especially computerization of case document preparation. FRA is most appreciative of the Committee's assistance in providing these additional resources in recent years.

ASSESSMENT/COLLECTION RATIO

Mr. CARR. This committee has been encouraging FRA to continue improving the percentage of the original assessment which is eventually collected. A few years ago FRA's extremely low collection ratio was serving as a poor deterrent to potential violates.

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[1] Preliminary 1992 data.

You made a modest improvement in the collection ratio, from 57 percent in fiscal year 1985 to 60 percent in 1991. Did the rate continue to go up in 1992?

[The information follows:]

The collection ratio measures in aggregate terms the percentage of the initial penalty assessment on sustainable violations ultimately collected by compromise or litigation. The ratio is a composite of the percentage collected in nearly 2,000 cases involving several thousand violations, each of which is settled on its own merits. In fiscal year 1992, FRA collected $16.7 million in penalties, the highest total in the agency's history. The overall percentage went down slightly from 60 percent to 59 percent. In hazardous materials cases, FRA collected 60 percent, but on the more recent hazardous materials cases (those received in 1990 through 1992), FRA collected 65 percent on sustainable violations.

Each violation received scrutiny and was settled at an amount that FRA believed was fair in light of all of the circumstances. FRA directs its attorneys to collect the highest amount warranted. The alternative to negotiation is, of course, litigation. Litigating these cases—which FRA is always prepared to do if it cannot achieve a settlement that it believes is fair—would take years, with no assurance of ultimately collecting a percentage higher than, or even equal to, that agreed upon through negotiation. FRA believes the safety program is better served by negotiating a fair compromise. Moreover, in strictly fiscal terms, litigation is much more costly to the agency than negotiation. Expenses for transcription services, the services of administrative law judges (in those cases where administrative hearings are available, such as hazardous materials cases), and travel all increase quickly when litigation is necessary, as FRA is finding out in the engineer qualifications program. Moreover, because litigation is so attorney-intensive, time spent litigating detracts greatly from time available for enforcement, regulatory, and other work.

One of the factors that affects any settlement is the age of the underlying violations. The relatively recent acquisition of new attorneys has allowed FRA to focus on closing the oldest cases. Fiscal year 1992 was a big year in that regard. While this clean-up of older cases is good and necessary, its lowers the overall percentage collected to some degree. If FRA can maintain its newly achieved balance between enforcement workload and legal resources, it should become increasingly current in settlements (as in the case transmittals), which is likely to have a beneficial impact on the percentage of the initial demand collected.

OPERATING PRACTICES DEFECTS

Mr. Carr. Data submitted for the record last year show that the number of defects recorded for problems in operating practices is going up significantly, from 6,366 in 1989 to 38,923 in 1991. This is the one area where your inspections are finding an increasing number of problems.

Why are these types of deficiencies going up so rapidly?

[The information follows:]

The increase in operating practices defects from 1989 to 1991 is due to a change in the manner defects are reported by field inspectors. The increase does not indicate a growing problem of noncompliance by railroads or railroad employees.

In 1989, in response to GAO recommendations, FRA initiated a "Quality Improvement Program" (QIP) to provide a more consistent methodology to measure inspector productivity. During the initial implementation of the QIP, operating practices inspectors documented *each* specific instance of noncompliance as a separate defect. For example, if during a radio conversation a railroad employee failed to identify the station, say "over" and "out," etc., inspectors would take 3, 4, 5 or more defects for the single inspection unit (i.e., the one conversation); or, if during a records inspection an inspector noted several administrative errors on one record, the inspector would note a defect for each error. This led to the taking of hundreds and even thousands of "defects," many of which were the same simple administrative errors repeated on hundreds of records.

In late 1991, in order to achieve consistency, operating practices inspectors started to record defects per unit inspected (i.e., one record with several administrative errors would be one defect rather than multiple defects). This change brought the operating practices discipline into conformity with the other disciplines in terms of recording defects per inspection unit. As a result, the 1992 operating practices defect count will be reduced to a level more accurately reflecting the current situation in the industry.

HUMAN FACTORS ACCIDENTS/WORK-REST CYCLE

Mr. CARR. The National Transportation Safety Board has been concerned for many years that the nature of the work-rest cycle in the railroad industry leads to chronic fatigue, which in turn contributes to operating errors and accidents. In fact, the Safety Board has announced its plan to conduct an in-depth safety study on this issue in the near future.

Your own data shows that human factors accidents are increasing as a percentage of all train accidents, and your inspection data show an increasing number of operating practice deficiencies.

In FRA's opinion, does the work-rest cycle of the rail industry contribute to human factors accidents?

[The information follows:]

FRA believes enough evidence exists, both in FRA records and the scientific community, to define a portion of the human factor accidents as fatigue-related. To address this concern, FRA, through its Office of Research and Development and Office of Policy, is conducting studies in stress and fatigue-related work/rest cycles, specifically as it relates to biological rhythms and cumulative fatigue.

Labor and management have shown a willingness to seek mutual solutions to some of the work/rest cycle problems. Primarily, their concentration has been on cyclical scheduling of trains, where possible, and enhanced crew calling information. FRA applauds the efforts of the task force.

However, a fundamental problem remains that precludes FRA from responding to the changing industry environment through the regulatory process. FRA is constrained to enforce the Hours of Service Act (Act) with its premise that a mandatory off-duty period after a given time on duty will provide a time for rest. The Act specifies maximum work hours and minimum rest periods, but nothing in regard to cumulative fatigue, shift variability or predictability, or the special consideration needed for employees who work early morning assignments. FRA needs regulatory authority to address these issues.

RAILROAD EMPLOYEES' WORK-REST REQUIREMENTS

Mr. CARR. In the Safety Board's opinion, you should have the authority to explore the work-rest requirements of railroad employees, but under current law the railroad is the only mode of transportation which requires legislation to make changes in employee work rules.

Would you explain this situation to us?

[The information follows:]

The current law, the House of Service Act of 1907 (Act) with its several amendments, specifically limits the amount of on duty time for an employee in certain operating functions. The Act specifies either eight or ten "consecutive hours off duty", generally assumed to be available for employee rest. Any changes to this and other safety laws require legislation.

FRA has advocated the transfer of this law to the regulatory process. The conflict with the enforcement of this law is that, even though off duty is mandated, the Act does not comprehend the cumulative effect of fatigue. It is possible for a covered service train or engine employee to total more on duty hours in an extended period than off duty hours. With the addition of any "limbo time", not restricted by the Act, the employee may legally be present at the work place for periods far greater than the mandatory limit imposed by the Act. Limbo times are periods spent at the work place that are neither on duty nor off duty. Employee on-the-job safety is further compromised by personal commuting. Personal commuting, other than "deadheading", which is travel to or from a duty point while in a pay status, is also not covered by the Act and significantly erodes the employees available time for rest because it occurs during the mandatory off duty period.

For FRA to adequately address the work/rest cycle in an evolving industry, regulatory authority is required. During the last Congress, DOT recommended repeal of the Hours of Service Act, with immediate adoption of the current statutory requirements as regulations. FRA would then be free to conduct rulemaking proceedings to issue revised requirements that would adapt findings of shift work research to the unique railroad work environment.

Mr. CARR. Does the administration plan to submit such legislation to the Congress for consideration?

[The information follows:]

The Department will include a reform proposal in the railroad safety reauthorization legislation that will be submitted to the Congress early next year.

CONTINUOUS WELDED RAIL TRACK STANDARDS

Mr. CARR. The Safety Board has also been concerned about the inadequacy of your track standards for continuous welded rail. Last year we directed you to accelerate your regulatory work in this area and be prepared to show progress by the time of our hearing today.

What can you tell us about your progress?

[The information follows:]

The first step taken in conforming with the requirement of the Rail Safety Enforcement and Review Act of "* * * issue rules, regulations, orders or standards to revise * * * (the) * * * track safety standards * * *" not later than September 1994 was an assessment of the degree of concern operative in the entire railroad community with respect to the modification of the present track safety standards. FRA was looking for a definition of problems in interpretation and application of these standards as perceived by the various affected sectors of the community, e.g., labor, management, shippers, state officials and any other party with a specific interest in seeing one or more sections of today's standards either change or remain the same. To this end, in the form of a fact-finding venture, a series of five workshops were scheduled to be held in various parts of the country. Notification of these events was conveyed to interested parties by means of a comprehensive advance notice of proposed rulemaking that appeared in the Federal Register in November 1992. This notice posed a sequence of 51 questions intended to focus attention on different aspects of the standards that would demand attention from FRA staff during any attempt at revision. Written comments bearing on any of these questions or other relevant topics was also sought in the same notice. The last of these workshops was held on March 31, 1993. Termination of the period of comment saw the delivery of a wide variety of position statements to FRA. This material must be collated and analyzed with particular emphasis on the degree to which specific opinions were rationally supported. That effort is now underway.

CONTINUOUS WELDED RAIL RESEARCH

Mr. CARR. What additional research is needed before you would be comfortable amending the existing regulations to address the importance of temperature control of continuous welded rail and its ability to absorb the dynamic longitudinal forces of trains?

[The information follows:]

The existing Track Safety Standards (49 CAR 213) do not address the control of thermal and mechanical forces for continuous welded rail (CWR) buckling safety. Based on current knowledge and technical information, regulations could be proposed in terms of general guidelines and criteria for CWR wood-tie track buckling safety assurance. These guidelines would be based on stipulating allowable CWR operating temperature ranges as a function of track design and maintenance parameters. Since there is limited information on train-induced dynamic longitudinal forces, their effect would be accounted for through a conservative "safety factor." In addition, a conservative approach in establishing safety criteria must be employed to compensate for the inability to accurately and non-destructively measure CWR longitudinal forces or to make continuous measurements of the ability of the track to resist lateral shift.

Before being able to develop more comprehensive regulations addressing the problem of controlling all CWR forces for buckling prevention, additional research is required in the following areas:

Development of a reliable, accurate, non-destructive measurement technique for CWR longitudinal force determination;

Development of track buckling predictive capability, safety criteria, and buckling prevention guidelines applicable to CWR tracks on concrete ties;

Quantification of CWR longitudinal restraint behavior to absorb thermal and dynamic longitudinal forces; and

Development of a reliable, non-destructive measurement technique for lateral ballast resistance determination.

Mr. CARR. I understand you are planning to conduct some of this research at the Transportation Test Center in Pueblo, Colorado. When will this research be completed, according to your current schedule?

[The information follows:]

Several major test programs are being planned for completion at the Transportation Test Center over the next five years. The program being initiated in the current year will investigate and quantify CWR longitudinal restraint behavior as a function of track construction, various track maintenance actions, and the influence of initial track alignment. This work is scheduled for completion by the end of 1994.

A more comprehensive five year, multi-phase program is being planned for initiation in fiscal year 1994 to investigate buckling behavior of concrete tie tracks, including full-scale dynamic buckling tests on a variety of tangent and curved tracks.

In addition, an ongoing program is designed to develop track measurement equipment to determine CWR longitudinal force and track lateral resistance or to evaluate the effectiveness of commercially developed devices. The completion of this program depends on evolving technology and new innovations.

CONTINUOUS WELDED RAIL FUNDING

Mr. CARR. How much funding is included in your fiscal year 1994 budget to address the problem of continuous welded rail?

[The information follows:]

Continuing the aggressive investigation of this problem initiated in fiscal year 1993, FRA is requesting a total of $1,000,000 in fiscal year 1994 to fund both the test programs underway and anticipated, and for the analysis of test results and model development to extend test results to other track configurations.

ENGINEER QUALIFICATION CERTIFICATIONS

Mr. CARR. Beginning January 1, 1992, all railroad were required to certify that their locomotive engineers met certain qualifications for vision, hearing, and technical skill. FRA was responsible for reviewing the training plans of the railroads to verify the adequacy of training programs.

How is the certification program going? Is FRA comfortable with the certifications being made by the railroads?

[The information follows:]

The locomotive engineer certification regulation requires each railroad to submit an engineer qualification program in accordance with a schedule designated by the class of the railroad. The submission is required to provide a detailed explanation of the procedures the railroad will employ to comply with the regulations. FRA has a three-phase approach to evaluating these programs: (1) an initial administrative evaluation is conducted to identify any obvious shortcomings; (2) an in-depth evaluation of the components of the program is conducted to evaluate all the issues relative to the regulatory requirements; and (3) programs are evaluated by FRA field inspectors who assess railroad operations for compliance with respective programs submitted to the FRA.

FRA staff has completed phase 1 and 2 evaluations of Class I, Class II, Amtrak and commuter railroad programs. The areas of concern with the individual programs have been identified and the respective railroads notified. Thus far, 13 railroads have resubmitted revised programs. Class III programs are currently being evaluated in phase 1 and 2 by the staff. Phase 3 assessments continue on all programs by regional safety inspectors during the course of their daily operational inspections.

In general, FRA believes that Class I railroad training programs for locomotive engineers are sound. The major issue FRA has identified in the evaluation of certification programs is that railroad submissions fail to capture and document the process with sufficient detail. This is particularly applicable to program requirements for designation of supervisors of locomotive engineers.

Railraods have been responsive to FRA recommendations. At this point, FRA is comfortable with the progress the railroads and their employees have made in implementing these regulations.

RAILROAD TRAINING PLANS REVIEW

Mr. CARR. Last year you requested only one staff year to review these training plans and monitor the certification process. Congress provided that position.

Can one person responsibly review the training plans of all the class I railroads?

[The information follows:]

The Class I submissions are lengthy and complex programs divided into seven administrative segments. The programs are diverse and reflect each railroad's unique approach to program management. As a result, to effectively administer the FRA regulations in the context of each program's distinctive strategies, FRA must maintain regular contact with individual railroad program administrators as well as with respective employee labor representatives. Over the past year and a half, experience has demonstrated that it is not reasonable to expect one individual alone to effectively monitor and maintain all the Class I programs. As a result, in January 1993, another full-time staff specialist was added to assist in the administration of the locomotive engineer certification program.

Mr. CARR. How many plans are we talking about here, and how detailed are they, typically?

[The information follows:]

FRA has received 22 Class I, commuter and Amtrak programs; 23 Class II programs; and 480 Class III and switching railroad programs. Each program is characterized by a description of procedures that individual railroads employ to implement the different segments of the regulations. In general, the larger railroad programs are complex documents structured to encompass the seven major program sections prescribed by the regulation. The smaller railroad programs contain less detail due to characteristically less sophisticated operations.

ENGINEER CERTIFICATION PROCESS CHANGE

Mr. CARR. Your justifications discuss your intent to amend the existing engineer certification process.

What are your plans and why are changes needed?

[The information follows:]

FRA plans to consider making limited changes to the rule. The changes might result in: modifying the types of vehicles that require certified operators at the controls; possible improvements to the operational misconduct provisions, including those requested by the Brotherhood of Locomotive Engineers; and inclusion of a series of technical changes to improve the administration of the program. The basic purpose is to refine the existing regulation.

For example, FRA wants to assure that the rule's impact on certain service vehicles has been minimized in order that only those requirements which present the safety risks similar to those associated with more traditional trains are imposed on the operators of vehicles. This is an issue that was not commented upon when the initial rule was being adopted. Similarly, FRA wants to permit a careful evaluation of recent suggestions for change presented by rail labor which may help refine the operational misconduct provisions of the existing rule.

RAILROAD ENGINEER SUSPENSIONS

Mr. CARR. It was reported in the trade press that 48 of 2,800 engineers at one railroad, South Pacific, were suspended during the first year of the certification procedure.

What would cause an engineer to be suspended, and are we seeing high numbers of suspensions throughout the industry?

[The information follows:]

A locomotive engineer's certificate can be revoked if the engineer is found guilty of violating FRA's alcohol and drug control regulation or is guilty of operating a train unsafely. Five specific types of unsafe train operation are proscribed in the rule: failure to control a train in accordance with a signal indication; failure to control train speed in accordance with limits on train speed; failure to observe procedures for safe use of train brakes; tampering with safety devices; and operating a train on a main track without authority.

At this point, it is difficult to determine whether the number of certificate revocations is appropriate or excessive. FRA has incomplete, preliminary numbers available concerning the number of instances in which railroads revoked engineer certificates. These are only raw statistics which have not been normalized in any fashion.

However, these preliminary numbers are somewhat consistent with what FRA anticipated. FRA had estimated that a significant number of revocations could occur because the rule proscriptions are based on operational events that are identified annually as a causal factor in a substantial number of accidents.

LRFA PROJECTS—ECONOMIC CRITERIA

Mr. CARR. The fiscal year 1994 budget request includes no funding for the local rail freight assistant program. Funding has not been requested for several years.

As you may know, I have been working hard this year to develop economic criteria on which to base our investment decisions. It would seem to me that the LRFA program could be based on economic criteria, since the purpose of the program is to rehabilitate freight rail lines, which presumably allows goods to be carried faster and more reliably to markets.

To what extent do you base your LRFA investments on economic criteria?

[The information follows:]

To be eligible for funding, all LRFA projects must meet a statutory economic test. The ratio of the benefits to costs of the project must be greater than one as calculated in accordance with a standard methodology established by FRA.

The methodology identifies the economic criteria to be used in calculating LRFA project benefits and costs. These include: transportation efficiency benefits, such as reduced transportation costs to the shippers; and reduced fuel, labor, and derailment costs. Also included are secondary benefits, such as job creation and the avoidance of highway impacts.

In allocating LRFA discretionary funds, the benefit-cost ratio is one of five economic criteria that FRA is required by statute to consider. The other statutory criteria are:

The percentage of lines identified to the Interstate Commerce Commission by rail carriers for abandonment or potential abandonment within a state;

The likelihood of future abandonments within a state;

The likelihood the line will continue operating with rail freight assistance; and

The impact of rail bankruptcies, rail restructuring, and rail mergers on the state applying for assistance.

FRA also considers the extent to which the privately and publicly provided nonfederal share exceeds the statutory minimum, which is 30 percent for track rehabilitation projects.

Mr. Carr. My understanding is that of the 27 projects funded in fiscal year 1992, only 11 estimated that the rehabilitated line would make a profit after completion of the project. For eight others, profits generated were so small that the project cost would not be recovered for many years, if at all.

Should we apply a more restrictive rule, allowing funding only for projects which will turn a profit for the rail line?

[The information follows:]

Of the projects funded with fiscal year 1992 discretionary funds, 11 of the railroads operated at a deficit prior to project implementation. Because of the benefits resulting from the track rehabilitation, the railroads estimated a future profit upon completion of the project. For 8 other railroads, the profits prior to the project were so small that it would take several years to generate sufficient capital to undertake the needed track rehabilitation. These railroads also projected continued profits once the LRFA funded work was completed.

Of the 27 projects funded with fiscal year 1992 discretionary funds, only one line estimated an operating deficit after project completion. This project was funded because of the commitment of the state and local governments to ensure continued service on the line.

One of the statutory criteria which FRA is required to consider is the likelihood that the rail line related to the project will continue operating with the LRFA assistance provided. While profitable rail lines are likely to remain in operation, public ownership and the commitment of state and local funding also can ensure continued rail service.

LRFA FUNDING DISTRIBUTION

Mr. Carr. It is also my understanding that, even though you conduct benefit-cost analyses of the proposed projects, you limit each State to only one project in a fiscal year. That makes it likely that you will not fund some projects with high benefit-cost ratios simply because they are not the highest-ranked project within that State. Of course, they could be ranked higher than projects in other States which are funded. This is what I call distributional budgeting.

Why don't you fund the best projects without regard to where the State lines are drawn?

[The information follows:]

The benefit-cost ratio is only one of the five statutory criteria FRA is required to consider in evaluating the merit of each project proposed for LRFA funding. The statutory criteria measure state need according to the percentage of the state's rail system included in Categories 1, 2 and 3 of the System Diagram Maps filed with the Interstate Commerce Commission. The other statutory considerations are the likelihood that the line related to the project will continue operating with the rail freight assistance and the impact of rail bankruptcies, mergers, and restructuring on the state. FRA also considers the extent to which the non-Federal share of the project exceeds the statutory minimum. Through the balanced application of these criteria, FRA seeks to fund the best projects submitted each year.

The FRA policy of annually funding only the highest priority project in each state is based on Section 5(o) of the Department of Transportation Act which recognizes the need for equitable distribution of the funds. Because discretionary funding is so competitive, FRA believes an equitable approach is for each state to prioritize its projects and for FRA to fund only the highest priority project. By committing a certain amount of Federal funding to each state, FRA believes this policy contributes to the substantial leveraging of non-Federal financial participation in LRFA projects.

Of the ten discretionary applications not funded in fiscal year 1992 because the project was not the state's highest priority, four failed to meet statutory requirements, such as a benefit-cost analysis and sufficient non-Federal share. In three cases, the states did not resubmit the applications for fiscal year 1993 funding and the other three applications ultimately were approved with fiscal year 1993 discretionary funds.

Mr. Carr. Last year our Committee report noted that since you don't require grant applicants to provide financial data or certify the need for financial support, and since you consider the industry to be generally in good financial health, it is not clear that your current procedures distribute funds to the most financially needy projects.

I am sure that all of the applicants will plead a case of poverty and say their segment will be abandoned without Federal help. I know you assume that the States will apply some appropriate analysis before prioritizing their requests. But I am not sure State governments always make the right investment decisions any more than the Federal Government does.

Should we be getting some financial data on these railroads, to ensure that the limited Federal funds go to those railroads which are unable to obtain financing through private markets?

[The information follows:]

In order to determine the likelihood that the line related to the project will continue operating with the LRFA assistance, FRA requires financial data to be included in LRFA applications. The financial information required to be provided is the traffic, revenue, and expense data for the most recent year of railroad operation as well as a projection of traffic, revenue, and cost data upon completion of the project. FRA uses this financial information, in conjunction with he other statutory and policy criteria, to ensure that the limited Federal funds go to the railroads with the greatest need.

LRFA FUNDING RELATED TO CLASS I RAILROADS

Mr. Carr. Do you have any LRFA projects assisting smaller railroads which are financially connected to, or supported by, profitable class I railroads, and if so, why shouldn't they obtain funding instead through the class I carrier?

[The information follows:]

The purpose of the LRFA Program is to ensure continued safe and efficient rail service on light density lines that are in jeopardy of being abandoned because of deteriorated track conditions. Lines are statutorily eligible for LRFA funding based on traffic density. To be eligible for rehabilitation assistance, a line must carry less than 5 million gross ton miles per mile, but more than 20 carloads per mile annually.

With the deregulation of the railroad industry, Class I railroads have implemented major downsizing programs to eliminate light density lines which they had allowed to deteriorate. The lines that have been preserved have been purchased by public entities and new small railroads which are not financially connected to the Class I railroads.

Over the years, some LRFA funding has been provided for rehabilitation of eligible lines owned by Class I railroads to prevent the abandonment of these lines. As the number of small railroads has grown, increasingly states have requested LRFA funding to correct deferred maintenance conditions on light density lines owned or operated by small railroads. In 1992, there were 523 small railroads operating over 44,000 miles of track.

Since the Class I carriers did not invest capital in the light density lines when they owned them, it is highly unlikely that the major railroads would make funding available for rehabilitation of track now owned and operated by the new small railroads.

None of the railroads for which fiscal year 1993 discretionary funding has been approved are financially supported by a Class I railroad. In fiscal year 1992, FRA reserved discretionary funding for Illinois to rehabilitate an out-of-service line owned by the Chicago and North Western Transportation Company. The line formerly served a mine which is to be used as a disposal site for solid waste collected in Chicago. The funds are being reserved until June 1992 tc provide time for execution of a service contract with either the Chicago and North Western or the Burlington Northern. Both of these carriers are Class I railroads which can physically provide the rail service.

FINANCIAL MONITORING—CLASS II/III RAILROADS

Mr. CARR. In fiscal year 1993, the Congress added some funding ($50,000) for you to begin financial monitoring of the class II and class III railroads. How are you using these funds, and what specific data will be collected?

[The information follows:]

The $50,000 was provided in fiscal year 1993 for one position/FTE for increased monitoring of class II and class III railroads and this position has been filled. Carrier rules, practices and procedures, train operations, and associated support systems are being examined.

LRFA AS LOAN PROGRAM

Mr. CARR. Last year the administrator said he would like to see LRFA changed to a loan program, instead of the current grants structure. Conceptually, what advantages would a loan program offer to the freight railroads?

[The information follows:]

Under the LRFA Program, states have the flexibility to grant or loan LRFA funding to the railroads that own or operate the track. With FRA's approval, states use repaid loan funds for future LRFA eligible projects. States have full discretion to set the financial terms and conditions of the loans and can tailor them to the needs of the railroads and their ability to repay.

In discussing FRA's interest in encouraging this type of revolving loan fund at the state level, the Administrator was referring to the FRA proposal to modify the matching share requirement to create a greater incentive for states to loan LRFA funds. FRA would continue to grant LRFA funding to the states. The current Federal share of 70 percent for rehabilitation projects would remain if the LRFA funding were made available to the railroad on a loan basis. If a state granted the LRFA funds, however, the minimum non-Federal share would be increased.

Mr. CARR. Has FRA conducted any studies or analyses of this option?

[The information follows:]

FRA has not conducted any studies on the impact of increasing the non-Federal share when LRFA funds are granted. In the past, 9 states have loaned LRFA funds to the railroads and repayment of these loans has financed over $21 million in additional FRA approved projects. While it may not be feasible to loan all LRFA funding, FRA believes greater consideration would be given to loans if the minimum non-Federal share was increased when the funding was provided to the railroad on a grant basis.

LRFA PROPOSED FUND RESCISSION—FISCAL YEAR 1992

Mr. CARR. Last year the administration proposed to rescind $9,880,000 in fiscal year 1992 LRFA funding. On the eve of this subcommittee's consideration of the rescission measure, we were inundated with letters from State railroad commissioners, who had been advised by the FRA of how much funding their specific projects would lose if the rescission were enacted.

It seems to me that FRA was lobbying against an initiative of the very administration in which it serves. Would you comment?

[The information follows:]

Section 5(h) of the Department of Transportation Act requires FRA to distribute LRFA discretionary funding by April 1 of each year. To fulfill this statutory requirement, FRA, with the approval of the Office of Management and Budget, notified the states on April 1, 1992, of the amounts that would be allocated if the funds were not rescinded.

LRFA UNEXPENDED FUNDS

Mr. CARR. In a February 1992 report, the IG found that some States had large unexpended balances in their LRFA grant funds. They recommended that you de-obligate those funds and apply them to other projects.

What caused the accumulation of unexpended funds? Do you ensure that you only fund proposals which are ready for rehabilitation?

[The information follows:]

The Office of the Inspector General recommended $660,089 be deobligated and $3,365,420 be reviewed for possible deobligation. Within the last year, over $1.3 million of the amount identified has been expended and $3.7 million in LRFA funding has been deobligated and approved for new projects.

The funds identified were not expended for a variety of reasons, including delays in project implementation. In some cases, there were small balances remaining after completion of a project. In other cases, the states incurred the costs but failed to bill FRA in a timely manner.

In allocating discretionary funds, FRA currently considers the timeliness of the completion of the work and expenditure of the funds. In addition, FRA considers the extent to which a state has unexpended previously granted funds available before allocating new funding.

RAILROAD REHABILITATION LOAN GUARANTEES

Mr. CARR. I see that the administration is requesting no authority to enter into new loan guarantees for railroad rehabilitation as authorized under Section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976. Why does the administration not support additional loan guarantees at this time?

[The information follows:]

The Congress has not funded this program for several years and FRA has no pending requests for section 511 assistance.

In January, the Department provided a report to the Congress on "Small Railroad Investment Goals and Financial Options." Whereas that study showed a total unmet spending goals for equipment track structure improvements of $440 million and refinancing goals of $290 million, it also showed that the majority of the traffic was on railroads with little or no need for external funding for the needed rehabilitation.

The small railroads in need of a loan guarantee may not be eligible for section 511 funding because the prospective earning power of the company and its assets to be offered as security, in all likelihood, may not support a finding that these loans would be repaid. These companies are usually highly leveraged with most assets encumbered.

LOAN GUARANTEES UNDER CREDIT REFORM

Mr. CARR. As you may know, loan guarantees were provided more favorable budget scoring as a result of the Credit Reform Act, as long as estimated loan default rates are low.

Have you estimated the potential default rate if we were to revive this program?

[The information follows:]

FRA has not estimated the potential default rate should new section 511 Loan Guarantee Authority be provided. The small railroads for which the authority would likely be targeted are generally highly leveraged enterprises with most assets encumbered. Also, the potential default rate would depend on how a guarantee program is structured. That is, a full repayment guarantee or a partial guarantee with the lender assuming some of the risk and therefore having a greater incentive for a thorough due diligence study and assessment of the borrowers financial performance, management plan and assets to be offered to secure the loan.

All previous section 511 loans were made through the Federal Financing Bank (FFB) with all principal and interest payments guaranteed by FRA. Under credit reform provisions, FFB loans would be considered direct loans and would not be eligible for a section 511 guarantee.

LOAN GUARANTEE DEFAULTS

Mr. CARR. What is the historic default for similar loan guarantees?

[The information follows:]

Three borrowers have defaulted on section 511 loans made by the Federal Financing Bank (FFB). An appropriate distribution of costs which FRA incurred for principal and accrued interest under the guarantee on these loans follows:

[Dollars in millions]

Borrowers:	*Amount*
Rock Island	$6.5
Delaware & Hudson	8.5
Delta Transportation	0.3
	$15.3

The defaulted Rock Island and D&H loans have been settled. The amount expended for principal and accrued interest payments and not recovered as result of defaults is $15.3 million. However, FRA may realize an additional recovery on the D&H default.

The maximum current default rate may be calculated as the amount not yet repaid or recovered ($15.3 million) as a percent of the total amount due to date ($230.1 million), or 6.6 percent. This will be reduced by any additional recovery under the D&H reorganization and the Delta Notes. Loan guarantee fees and investment earnings on the fees would offset $4.1 million.

FISCAL YEAR 1994 LOAN GUARANTEE AUTHORITY

Mr. CARR. What are you requesting in fiscal year 1994 to continue this work?

[The information follows:]

FRA is not requesting any loan guarantee authority for new section 511 loan guarantees in fiscal year 1994.

LOCOMOTIVE FUEL TANK RESEARCH

Mr. CARR. Based on a number of accidents, the Safety Board has recommended that FRA conduct research into locomotive fuel tank integrity, to determine if fuel tanks can be improved to better withstand crash forces or reduce the post-crash fuel flow rate or fuel ignition points.

Have you begun this research, and if so, when will it be completed?

[The information follows:]

FRA is coordinating with the AAR and locomotive builders on an investigative program on locomotive fuel tank integrity. As a result of meeting in early 1993, the AAR is in the process of compiling data from the railroads on incidents involving fuel tank ruptures and spills. Based on an analysis of this data, anticipated crash scenaries will be determined and a test program will be developed in the latter part of 1993. Actual testing in a joint program with AAR will then be initiated and this program is expected to be completed in mid-1994.

LOCOMOTIVE CRASHWORTHINESS IMPROVEMENTS

Mr. CARR. For several years, this committee has been urging FRA to make improvements in the crashworthiness of locomotives, based on Safety Board accident investigations.

What specific improvements have been made over the past couple of years, and what degree of improved safety do they offer engineers in locomotive cabs?

[The information follows:]

Since 1990, the two largest impacts on locomotive crashworthiness have been the Association of American Railroads (AAR) Specification S-580 and the "Rail Safety Enforcement and Review Act" (P.L. 102-365).

AAR S-580 requires all road service locomotives built after August 1, 1990 to meet the following crashworthiness requirements:

(1) The short hood end of the locomotive shall be equipped with an anticlimber arrangement capable of withstanding a minimum of 200,000 lbs without exceeding the ultimate strength of the material.

(2) The locomotive shall be equipped with a minimum of two collision posts each capable of withstanding a force of 500,000 lbs at the point they are attached to the underframe and a force of 200,000 lbs at a point 30 inches higher without exceeding the ultimate strength of the material.

(3) The skin of the short hood end shall be equivalent to half-inch thick steel plate with a 25,000 lb yield strength.

S-580 addresses what is probably the most serious locomotive weakness in the event of a collision between two locomotives: the tendency for one locomotive to over-ride the other thus negating the protection provided by the strength of the underframe of the locomotive being over-ridden.

The "Rail Safety Enforcement and Review Act" (P.L. 102-365) was recently enacted by Congress. Section 10 of the Act covers locomotive crashworthiness and working conditions. This section requires the Secretary of Transportation to assess the adequacy of the American Association of Railroads (AAR) Standard S-580 and to conduct research and analysis, including full-scale crash testing as appropriate, to determine the cost and benefits of the following locomotive crashworthiness features:

(1) Braced Collision Posts
(2) Rollover Protection Device
(3) Deflection Plates
(4) Shatter Proof Windows
(5) Crash Refuges
(6) Uniform Sill Heights
(7) Anticlimbers or other Equipment Intended to Prevent Override During Head-on Locomotive Collisions
(8) Equipment to deter post-collision entry of flammable liquids into locomotive cabs
(9) Any other Devices Intended to Protect Cab Occupants.

To comply with this Act, the FRA has distributed data collection forms to all FRA regions to serve as a guide for gathering information to help analyze locomotive crashworthiness of both locomotives built prior to and built to conform to AAR S-580 during accident investigations. The first set of data gathered using these forms has been received from the field. Building an accurate and useful accident investigation data base will continue.

The FRA Office of Research and Development contracted for an analytical study of the crashworthiness of locomotives built to AAR specification S-580 which was completed in February, 1993. The study showed locomotives built to S-580 over-ride at a collision closing speed of 25 mph or less depending on the trailing weight behind the colliding locomotives. If over-ride occurs, serious crew injury is likely.

The Office of Research and Development is in the process of awarding a follow-on to this study. The follow-on contract is for the development and verification of a computer model to predict the effect of the locomotive crashworthiness features listed in the Act. The locomotive collision data base developed from investigation of locomotive accidents will be used to develop several accident scenarios which cover the spectrum of likely locomotive collisions. The performance of locomotives equipped with various combinations of the features enumerated in the Act will be predicted by the computer for each of the accident scenarios. The follow-on study will include locomotives built prior to S-580 taking effect. This will allow the FRA to determine to what degree the requirements of S-580 improve the crashworthiness of locomotives.

The FRA has scheduled information exchange between government and industry on future locomotive crashworthiness and working environment requirements. The agenda focuses on the impact of Section 10 of the Act. However, the related topics of concerns over locomotive fuel tanks and the potential introduction of new locomotive fuel tenders will also be covered.

A formal public meeting for interested parties to comment on and submit written opinions to the docket on locomotive crashworthiness is planned for June 1993.

REGIONAL ATTORNEYS

Mr. CARR. The Rail Safety Enforcement and Review Act required FRA to establish projects in several regions to demonstrate the benefits to the rail safety program from assigning attorneys to handle and settle enforcement cases at that level.

In which regions have attorneys been assigned and when were they assigned?

[The information follows:]

The Rail Safety Enforcement and Review Act required FRA to establish a regional enforcement pilot project in "more than one" region to determine the benefits that may be derived from having attorneys stationed in a regional office. FRA began the project, even before the statute was enacted, by assigning a senior attorney to the Kansas City regional office on July 1, 1991. That portion of the project ended on December 31, 1992. FRA is currently carrying on the project in the Atlanta region, where an attorney was assigned in March 1993. FRA has no plans to assign attorneys to other regions as it is believed that it can gain the required information and comply with the statute by conducting the project in just two regions.

Mr. CARR. Are the attorneys new hires or are they transfers from FRA headquarters?

[The information follows:]

The regional attorney assigned to Kansas City was an experienced GS-14 attorney from headquarters with expertise in several safety areas. The attorney assigned to Atlanta is a GS-11 new hire who spent several weeks in Washington being trained before starting his duties in Atlanta. FRA decided to go with an entry-level attorney in Atlanta in order to compare and contrast his experience with that of a veteran headquarters attorney. Of course, should FRA ever assign attorneys to each of the regions, it is more likely that the attorneys would be new hires rather than headquarters attorneys.

Mr. CARR. How long are the pilot projects expected to continue?

[The information follows:]

The Kansas City project ended on December 31, 1992, having run for 18 months. The Atlanta project will last from 12 to 18 months, starting in March 1993.

Mr. CARR. Have the projects speeded up the enforcement resolution process?

[The information follows:]

The regional projects have not speeded up the enforcement process. While the Atlanta project is just beginning and may prove otherwise, the Kansas City project demonstrated that the speed of enforcement is not affected by the location. The attorney assigned to Kansas City was one of the most productive and quickest attorneys in terms of transmitting cases, both in headquarters and in the region. However, in 1992, several headquarters attorneys achieved average transmittal times equal to or better than the regional attorney, and one attorney transmitted more reports. In terms of closing cases after transmittal, the Kansas City project demonstrated no advantages in terms of timeliness as a result of settling cases from the regional office.

More important, however, is the fact that the overall speed of the enforcement process has improved dramatically. FRA has achieved its long-term goal of transmitting violation reports in an average of 120 days after their receipt in the Office of Chief Counsel. On the settlement end, FRA is closing increasingly more current cases. These improvements are a result of additional resources and improvements in the enforcement process, particularly computerization of enforcement case document preparation.

Although the primary motivating factor behind the regional attorney project was the enforcement transmittal backlog, which has now been eliminated, there may be advantages to having attorneys in the regions quite apart from the speed of enforcement. Final conclusions on the regional attorney pilot project will not be possible until the Atlanta regional attorney has been in place a year or so. At that point, FRA will begin to prepare a report to Congress on the overall project. This report is due in September 1994.

OVERSEAS TRAVEL

Mr. CARR. Please update the breakdown of overseas travel by FRA employees found on pages 611 to 614 of last year's hearing record starting on the date ending last year's submission.

[The information follows:]

OVERSEAS TRAVEL
MARCH 11, 1992 - MARCH 10, 1993

APPROPRIATION AND DESTINATION	PURPOSE	DATES	COST
OA - VANCOUVER, CANADA BRITISH COLUMBIA	To tour the Canadian National Railways, meet with executives from Vancouver and Canadian Railways.	MARCH 12, 1992	$1,380.06
R&D - DORPEN, BREMEN GERMANY	To observe Maglev operations.	APRIL 14, 1992	$3,621.90
OA - BRUSSELS, BELGIUM	To speak at and participate in a panel at the Eurailspeed "92 Congress.	APRIL 24, 1992	$1,959.75
OA - ATHENS, GREECE	To attend the 75th session of the Council of Ministers of Transport.	JUNE 8, 1992	$2,012.59
OA - TORONTO, CANADA	To address the National Association of Regional Council's Executive Directors regarding "Multimodal Transportation Issues for the 1990s."	AUGUST 13, 1992	$3,105.39
OA - CIUDAD JUAREZ, MEXICO	To attend Bi-National committee meeting on bridges and border crossings.	SEPT. 15, 1992	$757.20
SAFETY - CIUDAD JUAREZ, MEXICO	To attend Bi-National committee meeting on bridges and border crossings.	SEPT. 15, 1992	$957.80

OVERSEAS TRAVEL
MARCH 11, 1992 - MARCH 10, 1993

APPROPRIATION AND DESTINATION	PURPOSE	DATES	COST
R&D - AMSTERDAM, NETHERLANDS DORPEN, GERMANY	To conduct on-site observations of transrapid Maglev system test activities and carry out technical information exchanges.	OCT. 17, 1992	$4,542.08
R&D - AMSTERDAM, NETHERLANDS DORPEN, GERMANY	To conduct on-site observations of Maglev system test and inspect German passenger equipment.	OCT. 26, 1992	$1,710.08
R&D - FRANKFURT, BREMEN, GERMANY	To conduct on-site observations of transrapid Maglev system test activities.	NOV. 25, 1992	$3,163.26
OA - MEXICO CITY, MEXICO	To attend transportation working group meeting.	JAN. 26, 1993	$1,265.09
SAFETY- CALGARY, ALBERTA, CANADA	To meet with Transport Canada & Canadian Association of Petroleum Producers' Sulphur Tank Car Task Force.	FEB. 10, 1993	$1,171.12
SAFETY - MERIDA, MEXICO	To meet with the US/Mexico Transportation Working Group.	FEB. 23, 1993	$1,438.95
OA - MERIDA, MEXICO	To meet with the US/Mexico Transportation Working Group.	FEB. 23, 1993	$1,360.90

OFFICE SPACE DATA

Mr. CARR. Please also update the standard level user charges table shown on page 620 of last year's hearing record by adding data for fiscal year 1994.

[The information follows:]

OFFICE SPACE

	Office space [1]	Authorized positions [2]	Utilization rate [3]	SLUC charge [4]	Average SLUC per square foot
Headquarters:					
1986	57,974	312	186	$1,075,997	$18.56
1987	56,941	304	165	1,522,549	23.03
1988	54,642	304	158	1,552,549	23.03
1989	52,203	281	163	1,544,000	30.84
1990	52,176	282	163	1,644,390	31.52
1991	55,011	302	157	[6] 1,760,564	32.00
1992	55,088	318	148	(7)	(7)
1993	56,389	322	150	(7)	(7)
1994	59,076	349	169	(7)	(7)
Field:					
1986	[5] 64,786	394	164	803,994	12.41
1987	[5] 62,321	399	140	719,451	12.66
1988	[5] 61,064	379	126	719,451	12.66
1989	[5] 60,601	381	136	767,000	13.52
1990	[5] 60,590	419	122	915,000	15.10
1991	[5] 65,467	431	118	[6] 1,263,436	19.30
1992	[5] 72,783	453	125	[6] 1,177,737	16.18
1993	[5] 82,498	504	125	[6] 1,246,117	15.10
1994	[5] 73,032	473	154	[6] 1,206,141	16.52

[1] Excludes parking allocation office space temporarily occupied by NASA and joint use space.
[2] Includes FRA personnel, as well as contractors.
[3] Utilization rate excludes allowable supplemental space for fiscal year 1987 through 1994.
[4] SLUC charges shown are for all space including parking, joint use space, and occupied by NASA.
[5] Excludes parking allocation and joint use space.
[6] All space costs are reflected in OST's budget, not FRA's.
[7] Managed by OST, not included in FRA's budget.

WORKING CAPITAL FUND DATA

Mr. CARR. Please update the working capital fund data shown on pages 620 to 621 of last year's hearing record.

[The information follows:]

Below is a breakdown of Working Capital Fund costs:

WORKING CAPITAL FUND

[Dollars in thousands]

Services	Fiscal Year 1993 estimate	Fiscal Year 1994 estimate	Difference
Satellite Copiers	$55	$58	+$3
Printing	202	223	+21
Copy Centers	61	64	+3
Photo	20	20	0
Distribution	18	23	+5
Graphics	40	38	−2
Typography	4	4	0
Special Personnel Programs	4	4	0
CEIO	7	7	0
Telecommunications	212	224	+12
FTS	74	62	−12
Health & Fitness	16	18	+2

WORKING CAPITAL FUND—Continued

[Dollars in thousands]

Services	Fiscal Year 1993 estimate	Fiscal Year 1994 estimate	Difference
Motor Pool	27	19	−8
Mail	48	46	−2
Military Postal Services	0	0	0
Parking	4	4	0
Shuttle Bus	1	0	−1
Warehouse	48	44	−4
Bldg Mgmt	130	135	+5
HQ Space Consolidation Team	83	39	−44
OSHA	3	3	0
Executive Protection	0	0	0
Passports & Visas	0	0	0
Security & Investigations	59	51	−8
Bldg Security	69	71	+2
Imprest Fund	4	4	0
Unemployment Compensation	13	13	0
Federal Laboratory Consortium	1	1	0
Single Audit Clearinghouse	0	0	0
Consolidated Federal Funds Report	0	0	0
Library	113	119	+6
TCC	89	89	0
DAFIS—Operations	100	105	+5
Multipurpose Briefing Room	16	17	+1
Voice Mail	10	10	0
Postage	65	80	+15
Accounting Operations Svcs.	0	0	0
Transit Benefit Program	0	3	+3
Total	$1,596	$1,598	+$2

SES BONUS AWARDS

Mr. Carr. Please update the SES bonus award tables found on pages 622 to 623 of last year's hearing record.

[The information follows:]

SES BONUS AWARDS

Appropriation/Office	1989		1990		1991		1992		1993	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Office of the Administrator . . .	1	$ 6,275	3	$13,510	3	$13,920	2	$11,508	2	$11,046
Railroad Safety	2	$ 7,925	-	-	-	-	1	$ 5,528	3	$14,484
Research and Development.	-	-	-	-	1	$ 4,520	2	$11,282	1	$ 5,304
Policy.	-	-	-	-	-	-	1	$ 5,528	1	$ 5,304
TOTAL	3	$14,200	3	$13,510	4	$18,440	6	$33,846	7	$36,138
TOTAL NUMBER OF ELIGIBLE EMPLOYEES	11		11		11		15		13	

FRA EMPLOYEES RECEIVING MORE THAN ONE SES BONUS AWARD

	1985	1986	1987	1988	1989	1990	1991	1992	1993
Executive Director, William Loftus	$4,025	$4,020	-	$6,575	-	$4,550	-	-	-
Chief Counsel, S. Mark Lindsey	-	-	-	-	$6,275	$4,550	$4,640	$5,754	$ 5,523
Associate Administrator for Safety, Joseph W. Walsh	$6,075	$4,020	-	$6,575	$4,025	-	-	-	-
Associate Administrator for Passenger & Freight Services, Louis S. Thompson	$6,075	$6,140	-	-	-	-	-	-	-
Associate Administrator for Railroad Development, James T. McQueen	-	-	-	-	-	-	$4,640	$5,754	$ 5,523
Associate Administrator for Administration Ray Rogers	-	-	$6,600	$4,125	-	-	$4,640	$5,754	-
Deputy Associate Administrator for Safety, Philip Olekszyk	-	-	$4,750	$4,125	-	-	-	$5,528	$ 5,304
Deputy Associate Administrator for Technology Development, Robert L. Krick	-	-	-	-	-	$4,520	-	$5,528	$ 5,304
Deputy Associate Administrator for Policy Thomas F. Ferrara	-	-	$6,850	-	-	-	-	$5,528	$ 5,304

POLITICAL APPOINTEES

Mr. Carr. Please update the political appointee tables found on pages 625 to 627 of last year's hearing record.

[The information follows:]

POLITICAL APPOINTEES

Fiscal Year 1986

Title	Type of Appointment	Salary
Administrator	Presidential	$73,600
Deputy Administrator	Non-Career SES	70,500
Special Assistant to Administrator	Non-Career SES	68,700
Chief Counsel	Non-Career SES	70,500
Intergovernmental Affairs Coordinator	Schedule C	38,852
Supervisory Public Affairs Specialist	Schedule C	38,852
Staff Assistant	Schedule C	26,381
Secretary (Typing)	Schedule C	24,811

Fiscal Year 1987

Title	Type of Appointment	Salary
Administrator	Presidential	82,500
Deputy Administrator	Non-Career SES	Vacant
Special Assistant to Administrator	Non-Career SES	73,400
Chief Counsel	Non-Career SES	Vacant
Intergovernmental Affairs Coordinator	Schedule C	45,763
Supervisory Public Affairs Specialist	Schedule C	41,309
Staff Assistant	Schedule C	28,078
Secretary (Typing)	Schedule C	Vacant
Associate Administrator for Policy	Non-Career SES	Vacant

Fiscal Year 1988

Title	Type of Appointment	Salary
Administrator	Presidential	$82,500
Deputy Administrator	Non-Career SES	71,910
Supv. Public Affairs Specialist	Schedule C	39,501
Executive Assistant	Schedule C	39,501
Associate Administrator for Policy	Non-Career SES	Vacant
Staff Assistant	Schedule C	34,325

POLITICAL APPOINTEES

Fiscal Year 1989

Title	Type of Appointment	Salary
Administrator	Presidential	82,500
Deputy Administrator	Non-Career SES	76,400
Associate Administrator for Policy	Non-Career SES	71,800
Public Affairs Officer	Schedule C	41,121
Executive Assistant	Schedule C	42.492

Fiscal Year 1990

Title	Type of Appointment	Salary
Administrator	Presidential	89,000
Deputy Administrator	Non-Career SES	81,400
Associate Administrator for Policy	Non-Career SES	74,400
Public Affairs Officer	Schedule C	48,992
Chief of Staff	Schedule C	73,692
Staff Assistant	Schedule C	24,705

Fiscal Year 1991

Title	Type of Appointment	Salary
Administrator	Presidential	$115,300
Deputy Administrator	Non-Career SES	104,600
Associate Administrator for Policy	Non-Career SES	95,300
Public Affairs Officer	Schedule C	55,809
Chief of Staff	Non-Career SES	91,200
Staff Assistant	Schedule C	26,574
Special Assistant to Administrator	Non-Career SES	87,000

POLITICAL APPOINTEES

Fiscal Year 1992

Title	Type of Appointment	Salary
Administrator	Presidential	119,300
Deputy Administrator	Non-Career SES	108,300
Associate Administrator for Policy	Non-Career SES	104,000
Chief of Staff	Non-Career SES	104,000
Public Affairs Officer	Schedule C	59,973
Public Affairs Specialist	Schedule C	32,423

Fiscal Year 1993

Title	Type of Appointment	Salary
Administrator	Presidential	122,522
Deputy Administrator	Non-Career SES	111,225
Associate Administrator for Policy	Non-Career SES	106,809
Chief of Staff	Non-Career SES	106,809

HEALTH INSURANCE COSTS

Mr. CARR. Please update the table showing health insurance costs, as shown on page 628 of last year's hearing record, by providing actual data or estimates for fiscal years 1992 to 1994.

[The information follows:]

HEALTH INSURANCE COSTS

[Dollars in thousands]

Appropriation	Fiscal 1992 actual		Fiscal 1993 estimate		Fiscal 1994 estimate	
	Cost	FTEs	Cost	FTEs	Cost	FTEs
Office of the Administrator	363	181	408	187	421	184
Railroad Safety	1,243	481	1,460	518	1,665	542
Railroad Research and Development	46	17	60	21	60	20
High-Speed Ground Transportation	0	0	0	0	43	15
Total, FRA	1,652	679	1,928	726	2,189	761

CLASS II/III RAILROAD DATA

Mr. CARR. Please update the data on Class II and Class III railroads shown on page 603 of last year's hearing record.

[The information follows:]

The following data are based on the statistics prepared by the Association of American Railroads in their Profiles of United States Railroads. The data on short-line railroad formations and terminations does not necessarily reflect the health of the industry. FRA has very limited data on the terms and conditions under which a carrier discontinued operations; therefore, it is not possible to determine whether the carrier ceasing operations went bankrupt, was sold, renamed or simply ceased operating because there was no traffic on the line.

CLASS II AND CLASS III RAILROADS

	New railroads formed	Railroads ceasing operations
Year:		
1981	9	1
1982	21	0
1983	16	2
1984	24	2
1985	26	1
1986	30	0
1987	39	1
1988	13	6
1989	31	4
1990	20	18
1991	15	26
1992[1]	6	6
Total	250	67

[1] As of October 7, 1992.

CLASS II/III RAILROADS—TRACK MILEAGE

Mr. CARR. Please also update the data on Class II/III railroads' track mileage as shown on page 603 of last year's hearing record.

[The information follows:]

The following data are based on the statistics prepared by the Association of American Railroads in their Profile of United States Railroads.

	Number of Class II and Class III Freight Railroads	Estimated Number of Miles of Track Maintained
Year:		
1986	(1)	25,000
1987	(1)	31,000
1988	548	32,050
1989	548	32,150
1990	563	35,850
1991	516	[2] 36,850
1992	523	37,550

[1] Data not available.

[2] Revised.

RAILROAD INDUSTRY SELECTED FINANCIAL DATA

Mr. CARR. Please update the chart showing selected financial data for the railroad industry shown on pages 607 to 608 of last year's hearing record.

[The information follows:]

Preliminary financial and operating data filed with the Interstate Commerce Commission for calendar year 1992 shows the following information for Class I railroads. Excluded from 1991 results is information on the Florida East Coast Railway Company which was reclassified as a Class II railroad in 1992.

SELECTED FINANCIAL DATA

[In thousands of dollars]

	12 Mo. Ending 12/31/92	12 Mo. Ending 12/31/91	Percent Change
Railway Operating Revenues	$28,348,741	$27,706,994	+2.3
Railway Operating Expenses	25,316,364	27,936,172	−9.4
Fixed Charges (Interest on Debt)	1,014,570	1,162,728	−12.7
Net Income (Loss)	1,958,448	(308,718)	NM
Net Railway Operating Income	1,966,927	(37,006)	NM
Operating Ratio	89.3%	100.8%	
Revenue Tons Carried (000s)	2,016,639	1,975,277	+2.1
Revenue Ton-miles (Millions)	1,062,626	1,035,986	+2.6

NM = Not meaningful.

CARLOADS BY COMMODITY

Mr. CARR. Please update the data showing carloads by commodity as shown on page 608 of last year's hearing record.

[The information follows:]

The key traditional measure of railroad activity and index to industrial production has been carloadings. This statistic is reported weekly by the larger railroads and is published by the Association of American Railroads (AAR) in its "Weekly Railroad Traffic." Comparable weekly statistics for carloads carried are available for 52 weeks ending December 26, 1992, and are shown below:

CARLOADS BY COMMODITY
(Major U.S. Railroads)

Commodity	1991	1992	Percent Change
Grain	1,382,951	1,433,015	+3.6
Farm products, ex-grain	88,395	95,586	+8.1
Metallic ores	846,081	879,360	+3.9
Coal	6,492,632	6,330,691	-2.5
Crushed stone, sand, gravel	664,796	693,110	+4.3
Nonmetallic minerals	458,331	442,891	-3.4
Grain mill products	517,263	522,194	+1.0
Food and kindred products	460,079	468,239	+1.8
Primary forest products	463,240	468,861	+1.2
Lumber and wood products	286,010	294,949	+3.1
Pulp, paper & allied prods.	539,831	548,610	+1.6
Chemicals & allied prods.	1,435,562	1,474,933	+2.7
Petroleum products	258,974	277,641	+7.2
Stone, clay & glass prods.	463,745	475,727	+2.6
Coke	262,102	288,934	+10.2
Metals & products	497,294	510,533	+2.7
Motor vehicles & equip.	798,397	914,135	+14.5
Waste & scrap materials	415,316	434,997	+4.7
All other carload traffic	347,087	311,758	-10.2
Total carloads 52 weeks	16,678,086	16,866,164	+1.1
Cumulative intermodal traffic (trailers and contents)	1,020,723	1,076,544	+5.5

SOURCE: Weekly Railroad Traffic, AAR Economics and Finance Department

NOTE: Figures for 1991 furnished for the record for the 1993 appropriations hearing were subsequently adjusted by the AAR.

OFFICE OF THE ADMINISTRATOR—STAFFING

Mr. CARR. Please update the breakdown of position data for the Office of Administrator, as shown on page 629 of last year's hearing record, by providing data for fiscal years 1991 to 1994.

[The information follows:]

OFFICE OF THE ADMINISTRATOR
SALARIES AND EXPENSES

	FY 1991 ACTUAL					FY 1992 ACTUAL				
			($000)					($000)		
	Positions	FTEs	PC&B	OTHER	TOTAL	Positions	FTEs	PC&B	OTHER	TOTAL
EXECUTIVE DIRECTION	130	116	6,192	1,473	7,665	133	121	6,799	2,048	8,847
IMMEDIATE OFFICE	14	12				14	12			
PUBLIC AFFAIRS	3	3				3	2			
CIVIL RIGHTS	5	5				5	5			
BUDGET	8	8				8	8			
CHIEF COUNSEL	39	33				43	35			
ADMINISTRATION	61	55				60	59			
OTHER										
POLICY	38	37	2,322	467	2,789	38	36	2,492	763	3,255
PASSENGER AND FREIGHT	26	26	1,760	314	2,074	26	24	1,760	278	2,038
TOTAL	194	179 1/	10,274	2,254	12,528	197	181	11,051	3,089	14,140

	FY 1993 ESTIMATE					FY 1994 ESTIMATE				
			($000)					($000)		
	Positions	FTEs	PC&B	OTHER	TOTAL	Positions	FTEs	PC&B	OTHER	TOTAL
EXECUTIVE DIRECTION	131	125	7,765	1,701	9,466	131	122	8,055	2,124	10,179
IMMEDIATE OFFICE	13	11				12	10			
PUBLIC AFFAIRS	1	1				2	2			
CIVIL RIGHTS	5	5				5	5			
BUDGET	8	8				8	8			
CHIEF COUNSEL	43	42				43	42			
ADMINISTRATION	61	58				61	55			
OTHER										
POLICY	38	37	2,766	359	3,125	38	37	2,875	378	3,253
PASSENGER AND FREIGHT	26	25	1,883	333	2,216	26	25	1,920	403	2,323
TOTAL	195	187 2/	12,414	2,393	14,807	195	184	12,850	2,905	15,755

1/ Excludes 3 reimbursable FTEs.
2/ Includes 3 non-ceiling FTEs.

IMMEDIATE OFFICE STAFFING

Mr. CARR. Please update the data on Office of the Administrator staffing, as shown on page 630 of last year's hearing record.

[The information follows:]

Following is the authorized staffing for fiscal year 1993:

Immediate Office of the Administrator

Staff:	*Amount*
FRA Administrator (designated-awaiting confirmation)	$122,522
Deputy Administrator (to be appointed)	111,225
Chief of Staff (to be appointed)	106,809
Special Assistant	68,829
Special Assistant	59,455
Administrative Assistant	44,327
Secretary (Stenography)	40,349
Secretary	34,683
Executive Correspondence Specialist	43,712
Executive Correspondence Specialist	38,107
Motor Vehicle Operator	28,550

OFFICE OF THE ADMINISTRATOR—OTHER PERSONNEL COMPENSATION

Mr. CARR. Please update the table found on page 630 of last year's hearing record concerning "other personnel compensation costs" for this office.

[The information follows:]

OFFICE OF THE ADMINISTRATOR—OTHER PERSONNEL COMPENSATION

[Dollars in thousands]

Category	Fiscal Year 1991 Actual	Fiscal Year 1992 Actual	Fiscal Year 1993 Estimate	Fiscal Year 1994 Estimate
1151 Overtime	64	108	93	98
1152 Holiday Pay	0	1	0	0
1161 Special Achievement and Employee Suggestion or Incentive Cash Awards	14	31	28	41
1162 Merit Pay Cash Awards	44	57	65	68
1163 Senior Executive Awards	14	23	0	0
1164 Performance Management System Awards	51	54	58	61
Total	187	274	244	268

LRFA GRANTS

Mr. CARR. For the record, please provide a listing of fiscal year 1992 LRFA grants. For each, provide the State, project, amount requested, the benefit-cost ratio, the amount approved and the State match.

[The information follows:]

FY 1992 LOCAL RAIL FREIGHT ASSISTANCE GRANTS

STATE	PROJECT	AMOUNT REQUESTED	BENEFIT/ COST RATIO	POTENTIAL ABANDONMENTS*	AMOUNT APPROVED	MATCH
KS	Rehabilitate Kansas Southwestern Railway	$1,052,202	9.55	12.54%	$906,114	$ 450,944
	Rehabilitate Beloit to Solomon line	36,000	1.5	12.54%	36,000	15,428
ID	Rehabilitate St. Maries River Railroad	400,000	1.15	9.46%	400,000	171,428
MI	Repair bridges on Ann Arbor	510,875	13.1	9.41%	499,787	230,035
	Repair bridges on Escanaba and Lake Superior Railroad	389,367	2.7	9.14%	36,000 Entitlement 353,367 Discretionary FY 91 Funds	277,239
OR	Repair Heidel Creek bridge on state-owned Port of Tillamook Bay Railroad	545,947	3.09	8.89%	513,747	233,977
WA	Rehabilitate Mount Vernon Terminal Railway	100,000	2.37	6.70%	100,000	45,000**

FY 1992 LOCAL RAIL FREIGHT ASSISTANCE GRANTS

STATE	PROJECT	AMOUNT REQUESTED	BENEFIT/ COST RATIO	POTENTIAL ABANDONMENTS*	AMOUNT APPROVED	MATCH
MN	Rehabilitate Cedar River Railroad from Glenville to Iowa state line	$679,000	1.29	6.68%	$500,000	$282,330** State 111,762** Shippers 223,523 Railroad
TX	Rehabilitate Texas Northeastern Railroad	509,338	3.10	4.97%	438,517	490,298
AL	Rehabilitate Eastern Alabama Railway	355,436	1.45	4.51%	348,286	348,286
	Rehabilitate SouthRail from Tuscaloosa to Fox	351,346	4.02	4.51%	226,346 Repaid Loan Funds 125,000 Discretionary FY91 Funds	351,346
AZ	Replace trestle on San Manual Arizona Railroad	908,865	3.08	4.14%	450,225	975,375

FY 1992 LOCAL RAIL FREIGHT ASSISTANCE GRANTS

STATE	PROJECT	AMOUNT REQUESTED	BENEFIT/ COST RATIO	POTENTIAL ABANDONMENTS*	AMOUNT APPROVED	MATCH
SD	Rehabilitate Ellis & Western Company	$298,200	2.7	3.99%	$262,200 Discretionary 36,000 Entitlement	$127,800
ME	Rehabilitate St.Lawrence & Atlantic Railroad	622,741	10.0	3.78%	546,745	338,378
MA	Rehabilitate state-owned Ware River Secondary	2,085,520	2.26	3.77%	243,953 106,890 Entitlement	2,256,057
IL	Rehabilitate abandoned Chicago & North Western track from Molitor Junction to Middle Grove	1,995,000	11.3	3.65%	425,000**	855,000
OH	Rehabilitate Wheeling & Lake Erie Railroad	770,020	8.3	2.03%	405,198 Discretionary 364,822 Entitlement	330,009

FY 1992 LOCAL RAIL FREIGHT ASSISTANCE GRANTS

STATE	PROJECT	AMOUNT REQUESTED	BENEFIT/ COST RATIO	POTENTIAL ABANDONMENTS*	AMOUNT APPROVED	MATCH
SC	Rehabilitate state-owned Yemassee to Port Royal line	$434,517	1.75	1.45%	$395,061	$169,312
IA	Rehabilitate Cedar River Railroad from Mona Junction to Minnesota state line	1,281,739	1.29	1.40%	450,000 Discretionary 815,043 Repaid Loan Funds	542,162
MS	Rehabilitate Columbus & Greenville Railway	742,084	5.04	1.25%	459,410	581,558** State 122,648 Railroad
MO	Rehabilitate publicly owned Columbia to Centralia line	280,000	4.77	1.22%	280,000	120,000
NY	Central New York Railroad	966,000	10.9	1.20%	499,737	830,519
WV	Rehabilitate South Branch Valley Railroad	1,000,000	1.2	1.15%	300,000 Discretionary 36,000 Entitlement	3,482,630

FY 1992 LOCAL RAIL FREIGHT ASSISTANCE GRANTS

STATE	PROJECT	AMOUNT REQUESTED	BENEFIT/ COST RATIO	POTENTIAL ABANDONMENTS*	AMOUNT APPROVED	MATCH
FL	Rehabilitate Seminole Gulf Railway	$609,470	1.3	0.97%	$261,200**	$ 111,943
AR	Rehabilitate Louisiana North West Railroad	293,122	15.4	0.69%	286,941	162,223
GA	Rehabilitate Hartwell Railroad	360,084	1.51	0.39%	234,532	100,514
NC	Repair bridges on Yadkin Valley Railroad	331,245	11.1	0.07%	229,860	323,745
TN	Rehabilitate publicly owned Nashville & Eastern Railroad	325,000	3.1	0.00%	176,000	696,303
AK	Rehabilitate Alaska Railroad's Eielsen Branch	214,650	3.19	0.00%	195,900	143,100
TOTAL:		$18,447,768			$11,943,881	$15,500,872

*Percentage of state rail mileage threatened with abandonment.

**Funds being loaned by the state.

LRFA FISCAL YEAR 1992 PROJECT APPLICATIONS

Mr. Carr. Fiscal year 1992 LRFA project applications are found in last year's hearing on page 642. Please provide separate listings of proposals funded and unfunded, and state the benefit-cost ratios of each project including those which were funded.

[The information follows:]

LOCAL RAIL FREIGHT ASSISTANCE PROGRAM

FY 1992 Funded Projects

STATE	PROJECT	BENEFIT-COST RATIO
Alabama	New project to rehabilitate Eastern Alabama Railway from Gantt's Junction to Talladega	1.5
	New project to rehabilitate SouthRail from Tuscaloosa to Fox	4.0
Alaska	New project to rehabilitate Alaska Railroad's Eielson Branch	3.2
Arizona	New project to replace trestles on San Manual Arizona Railroad	3.1
Arkansas	New project to rehabilitate Louisiana and North West Railroad from McNeil to Louisiana state line	15.4
Florida	New project to rehabilitate Seminole Gulf Railway from Ft. Ogden to Punta Gorda	1.3
Georgia	New project to rehabilitate Hartwell Railroad	1.5
Idaho	Continued rehabilitation of St. Maries River Railroad	1.2
Illinois	New project to rehabilitate line from Molitor Junction to Middle Grove	11.3*
Iowa	New project to rehabilitate Cedar River Railroad from Mona Junction to Minnesota state line	1.3

STATE	PROJECT	BENEFIT-COST RATIO
Kansas	New project to rehabilitate Kansas Southwestern Railroad from Hardtner Junction to Kiowa	9.5
	New project to rehabilitate line from Beloit to Solomon operated by Kyle Railway	1.5
Maine	New project to rehabilitate St. Lawrence & Atlantic Railroad	10.0
Massachusetts	New project to rehabilitate state-owned Ware River Secondary	2.3
Michigan	New project to repair bridges on Ann Arbor Railroad	13.1
	Continued repair of bridges on Escanaba and Lake Superior Railroad	2.7
Minnesota	New project to rehabilitate Cedar River Railroad from Glenville to Iowa state line	1.3
Mississippi	Continued rehabilitation of Columbus & Greenville Railway	5.0
Missouri	Continued rehabilitation of publicly-owned Columbia to Centralia line	4.7
North Carolina	New project to rehabilitate Yadkin Valley Railroad	11.1
New York	New project to rehabilitate Cental New York Railroad	10.9
Ohio	New project to rehabilitate Wheeling & Lake Erie Railroad from Spencer to Litchfield Hill and Brittain Yard to Mogadore	8.3

STATE	PROJECT	BENEFIT-COST RATIO
Oregon	New project to repair Heidel Creek Bridge on Port of Tillamook Railroad	3.1
South Carolina	Continued rehabilitation of state-owned Yemassee to Port Royal line	1.8
South Dakota	Continued rehabilitation of Ellis & Eastern rail line	2.7
Tennessee	Continued rehabilitation of Nashville & Eastern Railroad from Nashville to Monterey	3.1
Texas	New project to rehabilitate Texas Northeastern Railroad from Sherman to Texarkana	3.1
Washington	New project to rehabilitate Mount Vernon Terminal Railway	2.4
West Virginia	Continued rehabilitation of South Branch Valley Railroad	1.2

*Funds reserved; grant pending selection of operator.

LOCAL RAIL FREIGHT ASSISTANCE PROGRAM

FY 1992 Project Applications Not Funded

STATE	PROJECT	BENEFIT-COST RATIO
Alabama	New project to rehabilitate Wiregrass Central Railroad from Waterford to Enterprise	4.0
Arkansas	New project to rehabilitate Delta Southern Railroad's Huttig Division	33.9
	New project to rehabilitate Tenark Branch being purchased by City of West Memphis	*
Florida	New project to rehabilitate Florida Northern Railroad from Ocala to Lowell	3.6
Maine	New project to rehabilitate Bangor and Aroostook Railroad from Oakfield to Houlton	2.6**
Massachusetts	Acquisition of Boston and Maine line from Pittsfield to Adams	*
Mississippi	New project to rehabilitate Natchez Trace Railroad	3.2**
Missouri	Continued rehabilitation of publicy-owned Chillicothe to Kelly line	7.5***
Nevada	New project to construct loading dock in Fallon Freight Yard	5.6****
New York	New project to rehabilitate Mohawk, Adirondack and Northern's Lowville Industrial Track	2.2**
Texas	New project to rehabilitate Seagraves, Whiteface & Lubbock Railroad	1.7****

*Benefit-cost analysis not provided.

**Project funded in FY 1993.

***Project not funded because it was not statutorily eligible since the line did not carry more than 20 carloads per mile.

****Project not funded because of insufficient non-Federal share.

LRFA OBLIGATION/ALLOCATION DATA

Mr. CARR. Please update the LRFA obligation/allocation data shown on pages 635 to 638 of last year's hearing record.

[The information follows:]

LRFA OBLIGATIONS/ALLOCATIONS
FISCAL YEAR 1992
(In Dollars)

STATE	ENTITLEMENT	PLANNING	REHABILI-TATION	RAIL FACILITY CONSTRUCTION	ACQUISITION	TOTAL OBLIGATIONS
ALABAMA	$ 36,000	$ 36,000	$473,286 2/			$ 509,286
ALASKA	36,000	36,000	195,900			231,900
ARIZONA	36,000	36,000	450,225			486,225
ARKANSAS	36,000	36,000	286,941			322,941
CALIFORNIA	36,000	36,000				36,000
COLORADO	36,000	36,000				36,000
CONNECTICUT 1/	36,000					-0-
DELAWARE	36,000	36,000				36,000
DISTRICT OF COLUMBIA 1/	36,000					-0-
FLORIDA	36,000	36,000	261,200			297,200
GEORGIA	36,000	36,000	234,532			270,532
IDAHO	36,000	36,000	400,000			436,000
ILLINOIS	36,000	36,000				36,000
INDIANA	36,000	36,000				36,000
IOWA	36,000	36,000	450,000			486,000
KANSAS	36,000		942,114			942,114
KENTUCKY	36,000	36,000				36,000
LOUISIANA	36,000	36,000				36,000
MAINE	36,000	36,000	546,745			582,745
MARYLAND	36,000	36,000				36,000
MASSACHUSETTS	36,000	36,000	350,843 3/			386,843
MICHIGAN	36,000		571,787 4/			571,787
MINNESOTA	36,000	36,000	500,000			536,000
MISSISSIPPI	36,000	36,000	459,410			495,410
MISSOURI	36,000	36,000				36,000
MONTANA	36,000	36,000				36,000
NEBRASKA	36,000	36,000				36,000
NEVADA	36,000	36,000				36,000
NEW HAMPSHIRE	36,000	36,000	963,477 5/	63,378 5/		1,062,855
NEW JERSEY 1/	36,000					-0-

NEW MEXICO 1/	36,000	36,000				36,000
NEW YORK	36,000	36,000	499,739 5/			535,739
NORTH CAROLINA	36,000	36,000	229,860			265,860
NORTH DAKOTA	36,000	36,000				36,000
OHIO	36,000	36,000	405,198			441,198
OKLAHOMA	36,000	36,000				36,000
OREGON	36,000	36,000	530,316 6/			566,316
PENNSYLVANIA	36,000	36,000	189,137 5/			225,137
RHODE ISLAND	36,000	36,000	242,815 5/			278,815
SOUTH CAROLINA	36,000	36,000	395,061			431,061
SOUTH DAKOTA	36,000		298,200			298,200
TENNESSEE	36,000	72,000	176,000			248,000
TEXAS	36,000	36,000	438,517			474,517
UTAH	36,000	36,000				36,000
VERMONT	36,000	36,000				36,000
VIRGINIA	36,000	36,000				36,000
WASHINGTON	36,000	36,000	518,040			554,040
WEST VIRGINIA	36,000		336,000			336,000
WISCONSIN 1/	36,000					-0-
WYOMING 1/	36,000					-0-
	$1,800,000	$1,512,000	$11,345,343	$ 63,378		$12,920,721

1/Did not apply for FY 1992 entitlement; funds made available for discretionary allocation.

2/Includes $125,000 in carryover FY 1991 discretionary funds and $348,286 in FY 1992 discretionary funds.

3/Includes $106,890 in previously granted funds that were deobligated and reapportioned and $243,953 in earmarked carryover FY 1987 discretionary funds.

4/Includes $36,000 in FY 1991 entitlement funds, $36,000 in FY 1992 entitlement funds, and $499,787 in FY 1992 discretionary funds

5/Includes previously granted funds that were deobligated and reapportioned.

6/Includes $530,316 in carryover FY 1991 discretionary funds.

LRFA OBLIGATIONS/ALLOCATIONS
FISCAL YEAR 1993
(In Dollars)

STATE	ENTITLEMENT	PLANNING	REHABILITATION	RAIL FACILITY CONSTRUCTION	ACQUISITION	TOTAL OBLIGATIONS
ALABAMA	$ 36,000	$ 36,000	$ 300,000	$		$ 336,000
ALASKA	36,000	36,000	112,000			148,000
ARIZONA	36,000		300,000	40,137		340,137
ARKANSAS	36,000	36,000	200,000			236,000
CALIFORNIA 1/	36,000					-0-
COLORADO	36,000	36,000				36,000
CONNECTICUT 1/	36,000		392,712 3/			392,712
DELAWARE	36,000	36,000				36,000
DISTRICT OF COLUMBIA 1/	36,000					-0-
FLORIDA	36,000	36,000	132,545			168,545
GEORGIA	36,000	36,000				36,000
IDAHO	36,000	36,000 2/				36,000
ILLINOIS	36,000	36,000	250,000			286,000
INDIANA	36,000	36,000				36,000
IOWA	36,000	36,000	250,000			286,000
KANSAS	36,000		1,405,763 4/			1,405,763
KENTUCKY	36,000	36,000	125,000			161,000
LOUISIANA	36,000	43,645 3/	200,000			243,645
MAINE	36,000	36,000	300,000	439,565 5/		775,565
MARYLAND	36,000	36,000	345,999 3/			381,999
MASSACHUSETTS	36,000	36,000	103,866 2/			139,866
MICHIGAN	36,000	36,000	200,000			236,000
MINNESOTA	36,000	36,000	350,000			386,000
MISSISSIPPI	36,000	36,000	250,000			286,000
MISSOURI	36,000	36,000	518,300 6/			554,300
MONTANA	36,000	36,000				36,000
NEBRASKA	36,000	36,000				36,000
NEVADA	36,000	36,000	100,000 2/			136,000
NEW HAMPSHIRE	36,000	36,000	897,888 3/			933,888
NEW JERSEY	36,000	36,000				36,000

NEW MEXICO 1/	36,000		150,000			150,000
NEW YORK	36,000	36,000	200,000			236,000
NORTH CAROLINA	36,000	36,000	150,000			186,000
NORTH DAKOTA	36,000	36,000				36,000
OHIO	36,000	36,000	250,000			286,000
OKLAHOMA	36,000	41,200 3/	300,000			341,200
OREGON	36,000	36,000	813,747 7/			849,747
PENNSYLVANIA	36,000	36,000				36,000
RHODE ISLAND	36,000	36,000				36,000
SOUTH CAROLINA	36,000	36,000				36,000
SOUTH DAKOTA	36,000		274,194			274,194
TENNESSEE	36,000	36,000	125,000 2/			161,000
TEXAS	36,000	36,000	200,000			236,000
UTAH	36,000	36,000				36,000
VERMONT	36,000	48,898 3/				48,898
VIRGINIA	36,000	36,000	150,000			186,000
WASHINGTON	36,000	36,000	250,000			286,000
WEST VIRGINIA	36,000	36,000	125,000			161,000
WISCONSIN	36,000	36,000 2/				36,000
WYOMING 1/	36,000					-0-
	$1,800,000	$1,537,743	$9,722,014	$ 479,702		$11,739,459 8/

1/Did not apply for FY 1993 entitlement; funds made available for discretionary allocation.

2/Incomplete application; funds reserved.

3/Includes previously granted funds that were deobligated and reapportioned.

4/Includes $274,538 in carryover FY 1991 discretionary funds, $263,000 in FY 1993 discretionary funds, $36,000 in FY 1993 entitlement funds, and $832,225 in previously granted funds that were deobligated and reapportioned.

5/Includes $439,565 in carryover FY 1991 discretionary funds.

6/Includes $280,000 in carryover FY 1992 discretionary funds and $238,300 in FY 1993 discretionary funds.

7/Includes $513,747 in carryover FY 1992 discretionary funds and $300,000 in FY 1993 discretionary funds.

8/Includes $6,284,127 which has been approved but not obligated as of May 11, 1993.

INSPECTOR WORKLOAD DATA

Mr. **Carr**. Please update the chart on your inspector workload shown on page 541 of last year's hearing record.

[The information follows:]

INSPECTION DATA

	1990	1991	1992 [1]
Track:			
Number of inspections	18,363	17,665	17,008
Miles inspected	355,328	356,074	348,352
Records inspected	172,898	154,673	180,315
Defects recorded	133,402	122,741	104,176
Signal:			
Number of inspections	5,858	6.006	6,428
Units inspected	64,122	75,481	82,517
Records inspected	57,497	86,034	86,455
Defects recorded	9,441	11,513	11,612
Motive power and equipment:			
Number of inspections	21,400	20,685	20,380
Locomotives inspected	41,346	41,720	40,316
Cars inspected	1,061,866	994,814	988,514
Defects recorded	192,014	178,576	155,902
Operating practices:			
Number of inspections	12,096	11,694	15,109
Complaints received	386	420	299
Defects recorded	25,459	38,923	11,399
Hazardous materials:			
Number of inspections	10,323	9,146	10,370
Tank cars inspected	82,962	71,907	76,932
Defects recorded	21,447	13,404	13,841

[1] Preliminary 1992 data.

SAFETY INSPECTORS BY REGION

Mr. **Carr**. Please update the breakdown of safety inspectors by region as shown on page 543 of last year's hearing record by providing data for fiscal years 1992 to 1994.

[The information follows:]

Safety Inspectors by Region
(Dollars in Thousands)

Regional Head-Quarters	FY 1992			FY 1993				FY 1994		
	Authorized Inspector Positions	EOY Staff	Actual Travel	Authorized Inspector Positions	Inspectors On-Board	Projected EOY Inspectors	Travel	Authorized Inspector Positions	Proj. EOY Insp.	Travel
Cambridge	-	43	$434	-	42	44	$445	-	47	$534
Philadelphia	-	56	601	-	57	56	630	-	59	756
Atlanta	-	52	578	-	53	57	605	-	60	726
Chicago	-	49	510	-	54	54	530	-	57	636
Fort Worth	-	54	577	-	55	57	630	-	61	756
Kansas City	-	48	460	-	48	57	515	-	61	618
Sacramento	-	35	428	-	37	38	460	-	42	552
Portland	-	37	523	-	38	44	560	-	47	672
	394	374	$4,111	407	384	407	$4,375	434	434	$5,250

INSPECTOR WORK FORCE BY POSITION

Mr. CARR. Please update the breakdown of your inspector work force by position as shown on page 544 of last year's hearing record by providing data for fiscal years 1993 and 1994.

[The information follows:]

	Fiscal year 1993	Program changes	Fiscal year 1994 total request
Regional and field offices:			
Regional directors and safety supervisors	75.0		75.0
Safety inspectors	283.5	+9.5	293.0
Trainees	36.0	0.0	36.0
Clerical	45.0		45.0
Subtotal	439.5	+9.5	449.0
Headquarters:			
Professionals	62.5	+8.0	70.5
Clericals	10.0		10.0
Subtotal	72.5	+8.0	80.5
Total	512.0	+17.5	529.5

STATE INSPECTORS

Mr. CARR. Please update the state-by-state inspector data found on page 545 of last year's hearing record.

[The information follows:]

FISCAL YEAR 1993 RAILROAD SAFETY STATE PARTICIPATION PROGRAM
(Number of State safety inspectors as of December 31, 1992)

State	Track	Motive Power & Equipment	Operating Practices	Signal & Train Control	Hazmat	FY 1993 Total
1. Alabama	2	2				4
2. Arizona	1	2	1		1	5
3. California	4	6	4		2	16
4. Connecticut	1					1
5. Florida	3	2	2			7
6. Illinois	4				3	7
7. Iowa	3					3
8. Kansas	1					1
9. Maine	2					2
10. Maryland	1	1	1			3
11. Minnesota	2					2
12. Missouri	2				1	3
13. Montana	1					1
14. Nebraska	1	1				2
15. Nevada	1	1				2
16. New Hampshire	1					1
17. New York	3	3				6
18. North Carolina	2	1				3
19. Ohio	3	4			1	8
20. Oklahoma	1					1
21. Oregon	2	2			1	5
22. Pennsylvania	3	3	1			7
23. South Carolina	1	1				2
24. Tennessee	2	2	1	1		6
25. Texas	4	3	2	1	3	13
26. Utah	1	1				2
27. Virginia	2					2
28. Washington	1	1			1	3
29. West Virginia	2	3	2	1	1	9
Total	57	39	14	3	14	127

Note: FY 1993 Applications received from all the above States

COLLECTION TO ASSESSMENT RATIO

Mr. CARR. Please update the data on your collection to assessment ratio shown on page 554 of last year's hearing record.

[The information follows:]

The following chart shows the percentage of the initial penalty assessment on sustainable claims that FRA ultimately collected. Each case, of course, is settled on its merits and these percentages are merely averages.

Fiscal year:	*Percentage*
1985	57
1986	58
1987	55
1988	57
1989	56
1990	55
1991	60
1992	59

It should be noted that FRA collected $16.7 million in absolute dollars in fiscal year 1992, more than in any previous year.

HAZMAT ACCIDENTS DATA

Mr. CARR. Please update the data on trends in HAZMAT accidents as shown on page 560 of last year's hearing record.

[The information follows:]

HAZARDOUS MATERIAL ACCIDENTS

	Accidents involving release of hazardous materials	Car releases	Fatalities (accidents and incidents)
Year:			
1980	119	173	2
1981	77	109	0
1982	59	137	0
1983	52	62	0
1984	54	100	0
1985	54	109	0
1986	51	79	1
1987	50	89	0
1988	44	74	0
1989	55	84	0
1990	35	90	0
1991	45	83	0
1992 [1]	26	32	0

[1] Preliminary 1992 data.

TSC STUDY ON SANITARY FOOD TRANSPORTATION ACT

Mr. CARR. Please provide a detailed narrative of the Transportation Systems Center's benefit-cost study findings regarding the Sanitary Food Transportation Act.

[The information follows:]

This information cannot be provided at this time. The regulatory evaluation is part of an open rulemaking that will be made available upon publication of the notice of proposed rulemaking.

SANITARY FOOD ACT IMPLEMENTATION COSTS

Mr. CARR. Please provide a breakdown of all resources requested in fiscal year 1994 to implement the Sanitary Food Transportation Act, similar to that shown on page 571 of last year's hearing record.

[The information follows:]

There are no funds in FRA's fiscal year 1994 request for the Sanitary Food Transportation Act (SFTA).

ACCIDENT RATES—CLASS I RAILROADS

Mr. CARR. Please update the data on Class I railroads with the highest and lowest accident rates, as shown on page 572 of last year's hearing record.

[The information follows:]

TRAIN ACCIDENTS—CLASS I RAILROADS—EXCLUDES HIGHWAY-RAIL ACCIDENTS

Railroad	1992 [1] accidents	Accidents per million train miles
Lowest:		
Amtrak	58	1.39
Norfolk Southern	114	2.20
CSX	160	2.38
St. Louis Southwestern	28	2.86
Atchison, Topeka, and Santa Fe	141	3.09
Highest:		
Guilford	16	13.55
Grand Trunk Western	64	12.42
Illinois Central	72	10.43
Soo Line	94	9.02
Union Pacific	424	5.09

[1] Preliminary 1992 data.

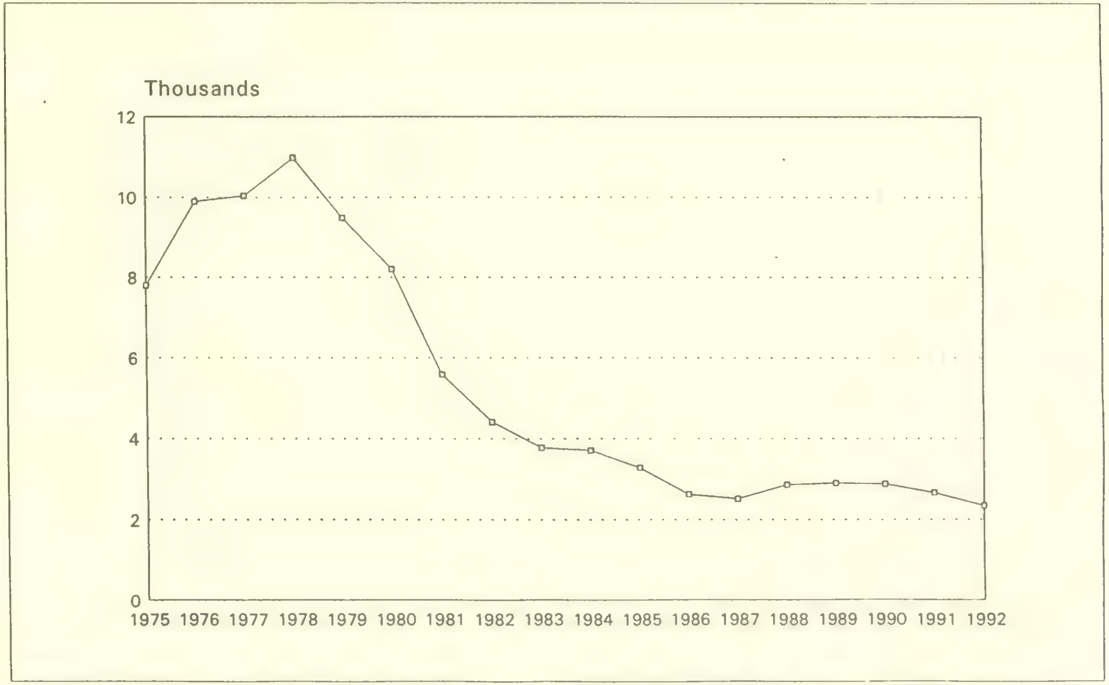
TRAIN ACCIDENT FREQUENCY MAP

Mr. CARR. Please update the train accident frequency map found on page 573 of last year's hearing record.

[The information follows:]

TRAIN ACCIDENT COUNTS

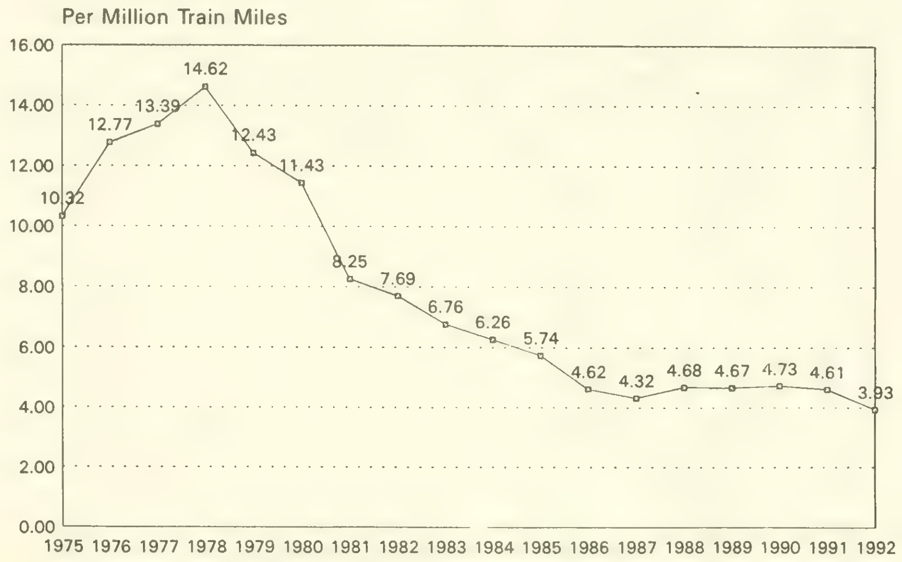
Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

TRAIN ACCIDENT RATE

Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

ACCIDENT TRENDS DATA

Mr. CARR. Please update the data on accident trends shown on page 574 of last year's hearing record.

[The information follows:]

ACCIDENT TRENDS

	Accidents (including highway-rail accidents)	Accidents/ million train miles
Year:		
1978	11,277	15.00
1982	4,589	8.00
1985	3,430	6.01
1986	2,761	4.87
1987	2,647	4.55
1988	3,051	5.01
1989	3,080	4.96
1990	3,045	5.00
1991	2,814	4.88
1992 [1]	2,511	4.22

[1] Preliminary 1992 data.

RAIL CASUALTY/ACCIDENT DATA

Mr. CARR. Please update the rail casualty and accident data shown on pages 575 to 578 of last year's hearing record.

[The information follows:]

SUMMARY OF ALL CASUALITIES BY TYPE OF ACCIDENT/INCIDENT AND TYPE OF PERSON

Type Accident/Person	% Of Total 1991	1992	Total Cases 1991	1992	...Killed.. 1991	1992	..Injured.. 1991	1992	..Illness.. 1991	1992
TRAIN ACCIDENTS - RAIL EQUIPMENT ACCIDENT/INCIDENT CASUALTIES										
EMPLOYEE ON DUTY.....	.96	.59	236	133	9	4	220	127	7	2
EMPLOYEE NOT ON DUTY.	.04	---	11	---	---	---	7	---	4	---
PASSENGER ON TRAIN...	.16	.13	40	30	8	---	32	30	---	---
NONTRESPASSER........	.20	.03	50	6	---	1	50	5	---	---
TRESPASSER...........	.03	.02	7	4	2	1	5	3	---	---
CONTRACTOR EMPLOYEE..	.00	---	1	---	---	---	1	---	---	---
TOTAL............	1.40	.77	345	173	19	6	315	165	11	2
TRAIN INCIDENT CASUALTIES										
EMPLOYEE ON DUTY.....	11.31	9.57	2,789	2,144	13	19	2,695	2,062	81	63
EMPLOYEE NOT ON DUTY.	.02	.08	6	17	1	---	5	17	---	---
PASSENGER ON TRAIN...	.38	.48	94	107	---	3	94	104	---	---
NONTRESPASSER........	.16	.20	39	45	13	6	26	39	---	---
TRESPASSER...........	3.95	4.40	973	985	509	512	464	473	---	---
CONTRACTOR EMPLOYEE..	.09	.10	21	22	3	8	18	14	---	---
TOTAL............	15.90	14.83	3,922	3,320	539	548	3,302	2,709	81	63
NONTRAIN INCIDENT CASUALTIES										
EMPLOYEE ON DUTY.....	66.86	68.02	16,488	15,231	12	10	15,906	14,427	570	794
EMPLOYEE NOT ON DUTY.	1.40	1.30	346	290	---	1	343	286	3	3
PASSENGER ON TRAIN...	.95	.82	234	183	---	---	234	183	---	---
NONTRESPASSER........	1.42	1.57	350	351	3	5	347	346	---	---
TRESPASSER...........	.32	.37	78	82	13	20	65	62	---	---
CONTRACTOR EMPLOYEE..	.80	.95	197	212	---	2	195	210	2	---
TOTAL............	71.74	73.01	17,693	16,349	28	38	17,090	15,514	575	797
RAIL-HIGHWAY GRADE CROSSING ACCIDENT/INCIDENT CASUALTIES (EXCLUDED FROM ABOVE CATEGORIES)										
EMPLOYEE ON DUTY.....	.60	.71	148	158	1	2	142	146	5	10
EMPLOYEE NOT ON DUTY.	---	.00	---	1	---	---	---	1	---	---
PASSENGER ON TRAIN...	.09	.37	22	82	---	---	22	82	---	---
NONTRESPASSER........	8.74	8.76	2,155	1,962	468	461	1,687	1,501	---	---
TRESPASSER...........	1.52	1.54	374	344	139	113	235	231	---	---
CONTRACTOR EMPLOYEE..	.01	.01	3	3	---	1	3	2	---	---
TOTAL............	10.96	11.39	2,702	2,550	608	577	2,089	1,963	5	10
GRAND TOTALS BY TYPE OF PERSON										
EMPLOYEE ON DUTY.....	79.72	78.89	19,661	17,666	35	35	18,963	16,762	663	869
EMPLOYEE NOT ON DUTY.	1.47	1.38	363	308	1	1	355	304	7	3
PASSENGER ON TRAIN...	1.58	1.80	390	402	8	3	382	399	---	---
NONTRESPASSER........	10.52	10.56	2,594	2,364	484	473	2,110	1,891	---	---
TRESPASSER...........	5.81	6.32	1,432	1,415	663	646	769	769	---	---
CONTRACTOR EMPLOYEE..	.90	1.06	222	237	3	11	217	226	2	---
TOTAL............	100.00	100.00	24,662	22,392	1,194	1,169	22,796	20,351	672	872

NOTE: Rail-highway crossing casualties include those occurring at both public and private crossings

FATALITIES TO EMPLOYEES ON DUTY IN RAIL EQUIPMENT ACCIDENTS/INCIDENTS*

	1985	1986	Percent Change	1987	Percent Change	1988	Percent Change	1989	Percent Change	1990	Percent Change	1991	Percent Change	1992***	Percent Change
Track	1	0	-100.00	1	0.00	1	0.00	1	0.00	0	-100.00	0	0.00	0	0.00
Equipment	0	0	0.00	1	0.00	0	-100.00	0	0.00	0	0.00	0	0.00	0	0.00
Human Factors	6	8	33.33	12	50.00	8	-33.33	5	-37.50	8	60.00	5	-37.50	4	-20.00
Other	0	0	0.00	2	0.00	2	0.00	6	200.00	1	-83.33	4	300.00	0	-100.00
Subtotal Excludes Rail-Highway Grade Crossings	7	8	14.29	16	100.00	11	-31.25	12	9.09	9	-25.00	9	0.00	4	-55.56
Rail-Highway Grade Crossings**	2	2	0.00	2	0.00	0	-100.00	4	0.00	4	0.00	0	-100.00	1	0.00
Grand Total	9	10	11.11	18	80.00	11	-38.89	16	45.45	13	-18.75	9	-30.77	5	-44.44

*Nonfatal casualties include injuries and illnesses. A rail equipment accident/incident is an event related to the operation of on-track equipment which results in reportable damage exceeding an established amount. The threshold was $6,300 in 1992 and 1991; $5,700 in 1989; $5,200 in 1988 and 1987; $4,900 in 1986 and 1987.

**Only those rail-highway grade crossing accidents which exceed the reporting threshold for damage to rail property are included.

*** 1992 totals are estimates based on preliminary data.

RAIL EQUIPMENT ACCIDENT/INCIDENTS BY CAUSE*

	1986	1987	Percent Change	1988	Percent Change	1989	Percent Change	1990	Percent Change	1991	Percent Change	1992***	Percent Change
Track	1.79	1.61	−10.06	1.56	−3.11	1.64	5.13	1.62	−1.22	1.68	3.70	1.42	−15.48
Equipment	0.76	0.74	−2.63	0.84	13.51	0.81	−3.57	0.70	−13.58	0.72	2.86	0.59	−18.06
Human Factors	1.44	1.47	2.08	1.69	14.97	1.58	−6.51	1.80	13.92	1.54	−14.44	1.43	−7.14
Other	0.63	0.50	−20.63	0.59	18.00	0.64	8.47	0.61	−4.69	0.67	9.84	0.49	−26.87
Subtotal Excludes Rail−Highway Grade Crossings	4.62	4.32	−6.49	4.68	8.33	4.67	−0.21	4.73	1.28	4.61	−2.54	3.93	−14.75
Rail−Highway Grade−Crossings**	0.25	0.23	−8.00	0.33	43.48	0.29	−12.12	0.27	−6.90	0.27	0.00	0.29	7.41
Grand Total	4.87	4.55	−6.57	5.01	10.11	4.96	−1.00	5	0.81	4.88	−2.40	4.22	−13.52

*Nonfatal casualties include injuries and illnesses. A rail equipment accident/incident is an event related to the operation of on−track equipment which results in reportable damage exceeding an established amount. The threshold was $6,300 in 1992 and 1991; $5,700 in 1989; $5,200 in 1988 and 1987; $4,900 in 1986 and 1987.

**Only those rail−highway grade crossing accidents/incidents which exceed the reporting threshold for damage to rail property are included.

*** 1992 totals are estimates based on preliminary data.

NONFATAL CASUALTIES TO EMPLOYEES ON DUTY
RAIL EQUIPMENT ACCIDENTS/INCIDENTS*

	1985	1986	Percent Change	1987	Percent Change	1988	Percent Change	1989	Percent Change	1990	Percent Change	1991	Percent Change	1992***	Percent Change
Track	78	44	-43.59	45	2.27	44	-2.22	51	15.91	53	3.92	28	-47.17	16	-42.86
Equipment	36	9	-75.00	14	55.56	23	64.29	7	-69.57	12	71.43	15	25.00	12	-20.00
Human Factors	92	115	25.00	146	26.96	154	5.48	141	-8.44	142	0.71	132	-7.04	80	-39.39
Other	41	49	19.51	21	-57.14	45	114.29	33	-26.67	31	-6.06	52	67.74	24	-53.85
Subtotal Excludes Rail-Highway Grade Crossings	247	217	-12.15	226	4.15	266	17.70	232	-12.78	238	2.59	227	-4.62	132	-41.85
Rail-Highway Grade Crossings**	82	34	-58.54	73	114.71	67	-8.22	114	70.15	81	-28.95	55	-32.10	65	18.18
Grand Total	329	251	-23.71	299	19.12	333	11.37	346	3.90	319	-7.80	282	-11.60	197	-30.14

*Nonfatal casualties include injuries and illnesses. A rail equipment accident/incident is an event related to the operation of on-track equipment which results in reportable damage exceeding an established amount. The threshold was $6,300 in 1992 and 1991; $5,700 in 1989; $5,200 in 1988 and 1987; $4,900 in 1986 and 1987.

**Only those rail-highway grade crossing accidents/incidents which exceed the reporting threshold for damage to rail property are included.

*** 1992 totals are estimates based on preliminary data.

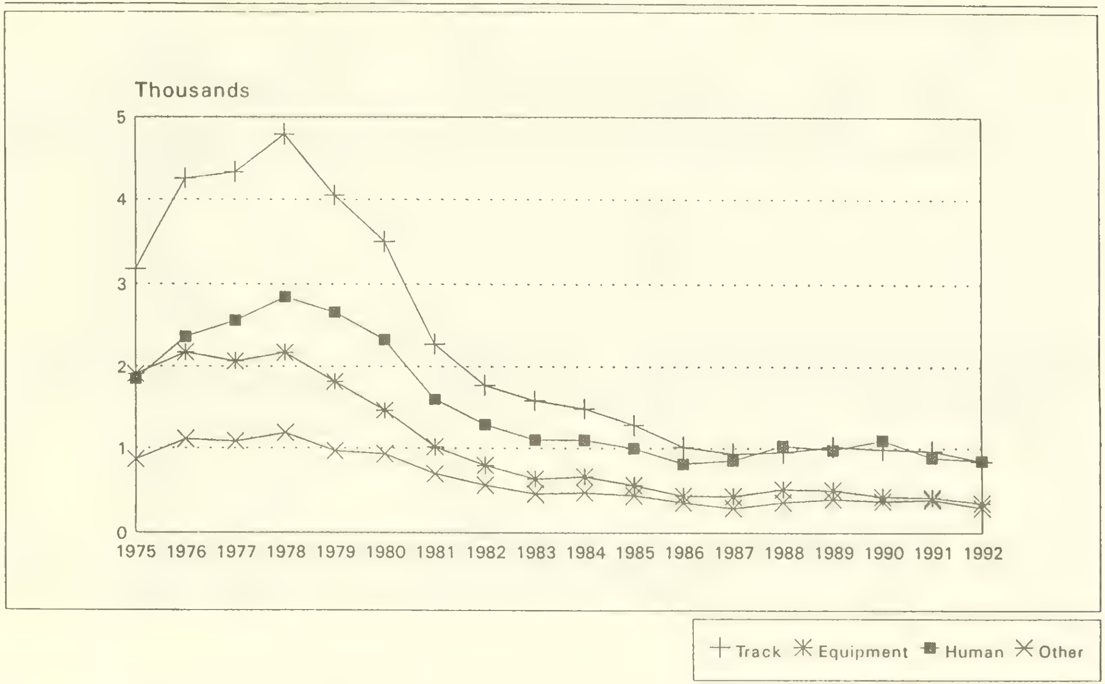
TRAIN ACCIDENT RATES

Mr. Carr. Please update the train accident line graph shown on page 579 of last year's hearing record.

[The information follows:]

TRAIN ACCIDENT COUNTS BY CAUSE

Excludes Highway-Rail Accidents



Source: Accident/Incident Data
Preliminary 1992 Data

TRAIN ACCIDENT COUNTS BY CAUSE

Excludes Highway-Rail Accidents

Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Total	7,793	9,896	10,040	10,991	9,492	8,205	5,582	4,411	3,776	3,712	3,275	2,620	2,512	2,854	2,898	2,879	2,658	2,340
Track	3,175	4,258	4,337	4,797	4,050	3,492	2,273	1,769	1,581	1,481	1,279	1,016	938	952	1,019	988	968	846
Equipment	1,906	2,172	2,064	2,169	1,815	1,458	1,016	795	636	661	559	433	430	512	501	425	415	349
Human	1,846	2,359	2,559	2,844	2,660	2,323	1,596	1,284	1,101	1,098	998	816	856	1,031	982	1,095	887	851
Other	866	1,107	1,080	1,181	967	932	697	563	458	472	439	355	288	359	396	371	388	294

Source: Accident/Incident Data
Preliminary 1992 Data

EMPLOYEE INJURIES/FATALITIES

Mr. CARR. Please update the chart depicting chronological trends in the casualty rates for railroad employees on duty, as shown on page 581 of last year's hearing record.

[The information follows:]

CASUALTY RATES FOR EMPLOYEES ON DUTY [1]

	Total casualties	Rate
Year:		
1978	65,193	12.42
1979	67,025	12.50
1980	56,428	11.17
1981	47,903	10.10
1982	36,110	9.01
1983	30,477	8.35
1984	33,423	9.00
1985	29,868	8.57
1986	22,444	6.97
1987	22,037	7.12
1988	22,616	7.44
1989	22,232	7.69
1990	21,010	7.87
1991	19,661	7.41
1992 [2]	17,666	6.82

[1] Casualties include illnesses, injuries, and fatalities.
[2] Preliminary 1992 data.

EMPLOYEE INJURIES—TRENDS

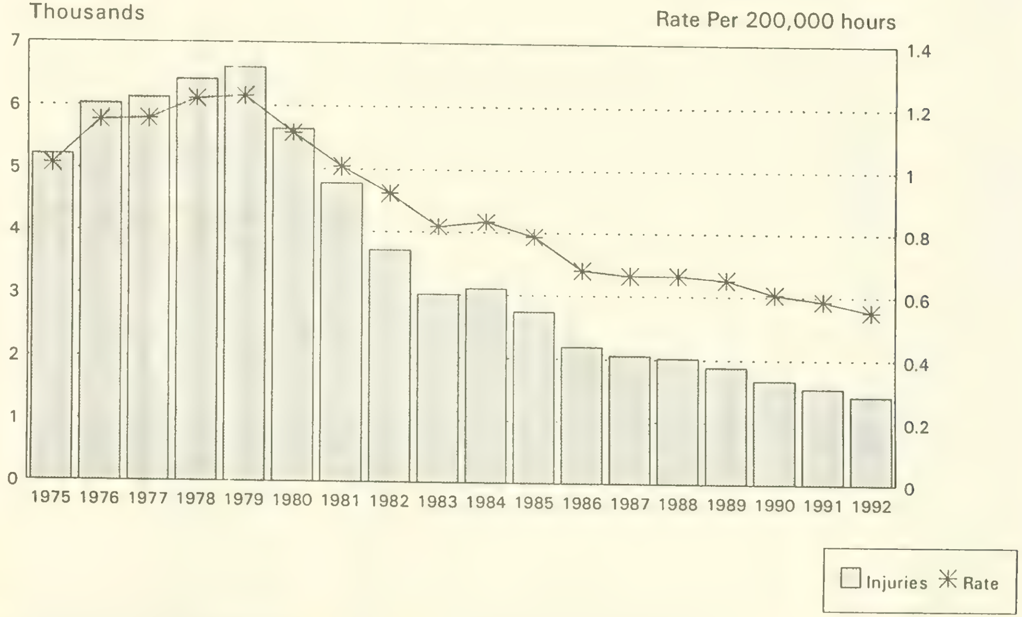
Mr. CARR. Please provide a line graph showing the historical trend of serious injury rates per 200,000 man hours.

Please provide a similar graph showing the historical trend of all injuries per 200,000 man hours.

[The information follows:]

SERIOUS INJURIES TO EMPLOYEES

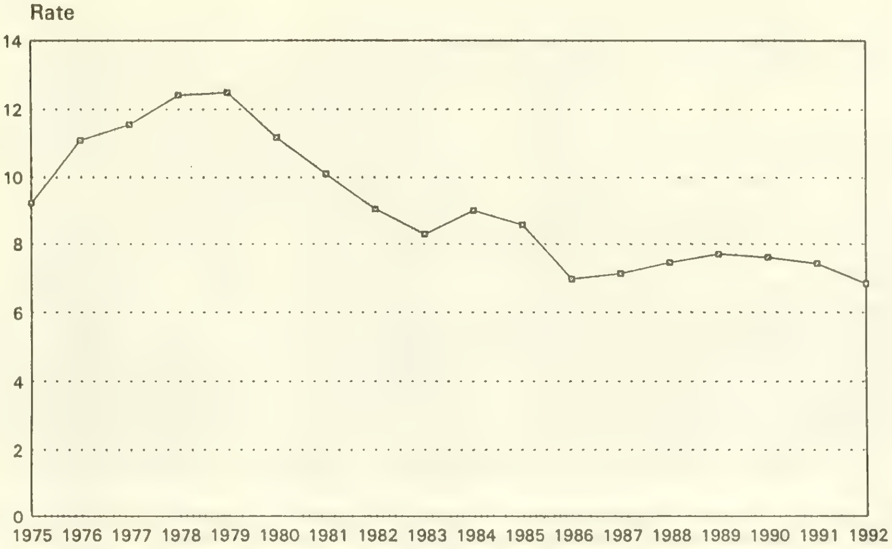
Amputations, Fractures, Hernia, Concussion,
Internal Injuries, Loss of Eye, Dislocations



Source: Accident/Incident Data
Preliminary 1992 Data

EMPLOYEE ON DUTY CASES

Rate Per 200,000 Hours Worked



Source: FRA Accident/Incident Data
Preliminary 1992 data

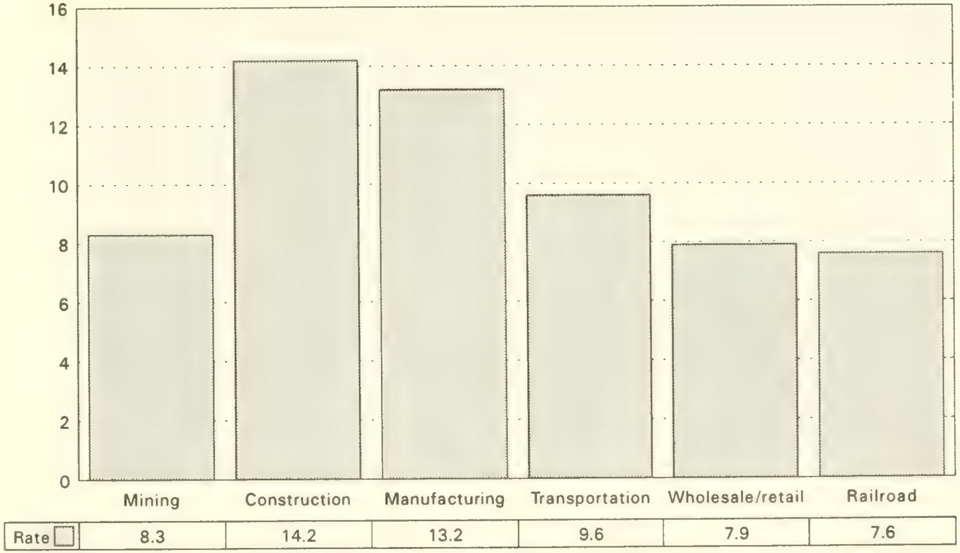
INJURY INCIDENCE RATES—RAILROADS/OTHER INDUSTRIES

Mr. Carr. Please provide a bar graph showing how the rail industry compares with other heavy industries in employee illness and injuries per 100,000 workers, as reported in Department of Labor statistics.

[The information follows:]

INCIDENCE RATES FOR SELECTED INDUSTRIES

Frequency Of Occurrence Per 200,000 Hours Worked
1990 Data



Source: BLS Estimates of Occupational Injury
And Illness Of Employees
Railroads Included in Total Transportation Figure

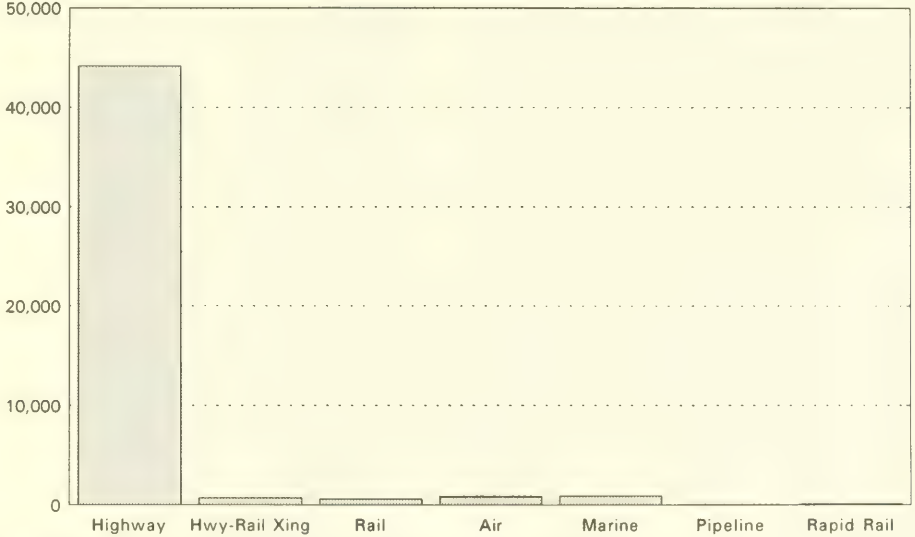
FATALITIES IN RAIL INDUSTRY/OTHER TRANSPORTATION MODES

Mr. CARR. Please provide a similar bar graph comparing the rail industry to other modes of transportation.

[The information follows:]

TRANSPORTATION FATALITIES

1990 Data



	Highway	Hwy-Rail Xing	Rail	Air	Marine	Pipeline	Rapid Rail
Killed ☐	44,161	698	599	834	900	35	69

Source: National Transportation Statistics
Annual Report June 1992
Research and Special Programs Administration

ACCIDENT RATES—CLASS I RAILROADS

Mr. CARR. Please update the data showing those Class I railroads with the highest and lowest accident rates, similar in format to that shown on page 582 of last year's hearing record.

[The information follows:]

CLASS I EMPLOYEE ON DUTY CASUALTIES FOR 1992

Railroad	Fatalities	Nonfatal	Rate [1]
Lowest:			
Florida East Coast	1	20	2.17
Norfolk Southern	1	555	2.26
Delaware Hudson	0	24	3.07
CSX	3	1,004	3.37
Illinois Central	1	133	3.87
Highest:			
Grand Trunk Western	2	473	16.74
Burlington Northern	5	3,610	12.49
Soo Line	0	466	10.41
St. Louis Southwestern	1	156	7.01
Union Pacific	4	1,944	6.87

[1] Frequency rate is the ratio of total reportable cases per 200,000 hours worked.

SAFETY BOARD "OPEN-UNACCEPTABLE" RECOMMENDATIONS

Mr. CARR. Please update the list of Safety Board "open-unacceptable" recommendations, similar in format to that shown on pages 586 to 590 of last year's hearing record.

[The information follows:]

The FRA and NTSB staff members met during 1992 and discussed the status of many of the open recommendations. Letters updating the status on appropriate recommendations were provided to the Board. There are currently 10 recommendations classified as "open unacceptable".

A list of the "open unacceptable" recommendations and the FRA position follows:

RECOMMENDATION NUMBER: R-80-02

Develop guidelines for handling tank cars containing pressurized liquified gases at accident sites based on research and tests of a representative sample of damaged tank cars.

FRA Position:

- A significant number of documents have been prepared and distributed to those with a need to know since this recommendation was issued. The Board has been furnished copies.
- A handbook containing procedures for handling tank cars at accident sites has been furnished to the Board. This is the final document that should permit this recommendation to be closed.

RECOMMENDATION NUMBER: R-87-23

The NTSB recommends that the Federal Railroad Administration:

Promptly require locomotive operating compartments to be designed to provide crash protection for occupants of locomotive cabs.

FRA Position:

- The 1992 Rail Safety Enforcement and Review Act requires the Secretary to conduct comprehensive research, analysis and a rulemaking, if found necessary.
- The data development effort is underway using contract and in-house resources.
- This recommendation should remain open pending completion of the FRA activity and furnishing the results to the NTSB.

RECOMMENDATION NUMBER: R-88-20

The NTSB recommends that the Federal Railroad Administration: Modify Title 49 Code of Federal Regulations Part 229 to require compatible main frame sill height standards.

FRA Position:

- This recommendation is being considered in conjunction with the effort described under R-87-23.

RECOMMENDATION NUMBER: R-88-23

Amend 49 CFR Part 219 to require post-accident toxicological testing of all employees in safety-sensitive positions.

FRA Position:

- Since 1986 the FRA regulation has covered employees performing service subject to the Hours of Service Act.
- Hours of Service Act employees are the most safety sensitive since they are involved in the movement of trains and include engineers, trainmen, dispatchers and signal service employees.
- The FRA issued a notice of proposed rulemaking on its alcohol and drug regulation on December 15, 1992. Input on the additional coverage was requested. Hearings have been held and the comment period has closed. FRA will issue a final rule on this issue later this year.

RECOMMENDATION NUMBER: R-88-24

Amend 49 CFR Part 219 to require that railroads adopt mandatory reasonable cause testing programs for all employees in safety-sensitive positions.

FRA Position:

- Reasonable cause testing for alcohol and drugs is currently authorized, but not required by the FRA regulation.
- All the major railroads have active reasonable cause testing programs.
- Pursuant to the Hollings/Danforth legislation, the FRA will make reasonable suspicion testing for alcohol and drugs mandatory.
- The final rule will be issued later this year.

RECOMMENDATION NUMBER: R-88-25

Amend 49 CFR Part 219 to expand the circumstances which will trigger reasonable cause testing to include any violation of any safety or operating rule which can compromise the safety of operations or the welfare of other employees. Reasons for reasonable cause testing could also include work attendance, work habits, and poor motor vehicle driving records.

FRA Position:

- The FRA regulation initiated significant testing in the railroad industry. Testing is required after major accidents, prior to employment, on a random basis, prior to return to service following a positive test, on a follow-up basis and is authorized based on reasonable cause.
- Reasonable suspicion alcohol and drug testing will be mandated shortly.
- The FRA's 12-15-92 NPRM proposed consideration of a decline in work performance as a criteria for reasonable suspicion testing.
- The Engineer Certification regulation mandates a review of engineer driving records.

RECOMMENDATION NUMBER: R-88-31

The NTSB recommends that the Federal Railroad Administration:

Amend 49 CFR Part 219 to require railroads to collect all appropriate toxicological samples as soon as practicable and not more than 4 hours after the triggering event. Written explanation of the reason(s) for failure to collect samples within 4 hours or not at all must be submitted to the Federal Railroad Administration.

FRA Position:

- FRA has thoroughly considered this situation on several occasions.
- The existing regulation already requires collection as soon as possible, with only limited exceptions for delay (e.g., protection of life and property at the accident scene).
- It was concluded that the accident situations are too diverse for a set hour figure to be practical.
- Additional reports would not be meaningful.
- Recommendation should be closed.

RECOMMENDATION NUMBER: R-88-32

Amend 49 CFR Part 219 to require railroads to monitor relevant behavior and performance, such as work attendance, work habits, and motor vehicle driving records, of all employees in safety-sensitive positions and to recommend to counseling those employees whose work attendance, work habits, or motor vehicle driving records are consistent with possible substance abuse.

FRA Position:

- The FRA has promoted voluntary measures, mandated co-worker reports and employee assistance requirements, provided information on the identification of troubled employees in the FRA Field Manual, and provided access to the National Drivers Register in the Engineer Certification regulation.
- FRA has addressed the relevant issues in this recommendation and it should be closed.
- See information under R-88-25.

RECOMMENDATION NUMBER: R-89-65

Amend the rule pertaining to toxicological testing of certain railroad employees to require that traincrew members supply samples of blood and urine if they are involved in a reportable accident at a highway grade crossing where the train crew is required by an operating rule, special instruction, or local ordinance to provide flagging protection at the crossing.

FRA Position:

- FRA has focused its post-accident testing program on the most serious train accidents.
- In the accident giving rise to the recommendation, a major factor in the accident was failure of the truck driver to stop the truck as required.
- There is no basis for mass testing of train crews after highway grade crossing accidents. Adopting the recommendation would increase the FRA post-accident testing program by 50 percent.
- The recommendation should be reconsidered and closed.

RECOMMENDATION NUMBER: R-90-23

Study, in conjunction with the Association of American Railroads, the feasibility of developing a positive method to indicate to the operating engineer in the cab of the controlling locomotive unit the condition of the dynamic brakes on all units in the train.

FRA Position:

- The Rail Safety Enforcement and Review Act of 1992 requires the Secretary to review the railroad braking regulation and issue amendments by December 31, 1993.
- An Advance Notice of Proposed Rulemaking was issued, workshops have been conducted, and the comment period has closed.
- FRA intends to issue a NPRM shortly and meet the statutory deadline.

CRASHWORTHY LOCOMOTIVE EVENT RECORDERS

Mr. CARR. Please update us on the status of development of crashworthy locomotive event recorders.

[The information follows:]

The locomotive event recorder final rule has been prepared and is under review within the Executive Branch. Issuance is expected at an early date.

GRADE CROSSING ACCIDENT DATA

Mr. CARR. Please update the grade crossing accident data shown on page 599 of last year's hearing record.

[The information follows:]

HIGHWAY-RAIL CROSSING ACCIDENT AND CASUALTY STATISTICS

	Accidents	Fatalities	Injuries
Year:			
1988	6,615	689	2,589
1989	6,525	801	2,868
1990	5,713	698	2,407
1991	5,386	608	2,094
1992 [1]	4,900	575	1,969

[1] Data for 1992 is preliminary, subject to change as late data and reconciliations are applied to the files.

The 1992 data shows a decrease from 1991 of 9.0% for accidents and 5.4% and 5.9% for fatalities and injuries, respectively. Train miles for 1992 increased 3.03%.

GRADE CROSSING FATALITIES—BY STATE

Mr. CARR. Please update the state-by-state listing of grade crossing fatalities as shown on pages 599 to 600 of last year's hearing record.

[The information follows:]

GRADE CROSSING FATALITIES -- BY STATE

State	1991 Killed	1992* Killed	Percent Change
Alabama	19	16	15.7-
Alaska	2	1	50.0
Arizona	2	4	100.0+
Arkansas	23	13	43.4-
California	29	32	10.3+
Colorado	3	7	133.3+
Connecticut	1	3	200.0+
Delaware	0	4	+
District of Columbia	0	0	N/A
Florida	27	7	74.0-
Georgia	30	14	53.3-
Hawaii	0	0	N/A
Idaho	6	7	16.6+
Illinois	47	45	4.2-
Indiana	31	32	3.2+
Iowa	11	7	36.3-
Kansas	8	20	150.0+
Kentucky	7	9	28.5+
Louisiana	7	32	357.1+
Maine	1	1	0.0
Maryland	0	1	+
Massachusetts	2	0	100.0-
Michigan	17	29	70.5+
Minnesota	11	13	18.1+
Mississippi	24	20	16.6-
Missouri	22	13	40.9-
Montana	0	3	+
Nebraska	23	16	30.4-
Nevada	0	0	N/A
New Hampshire	0	0	N/A
New Jersey	1	2	100.0+
New Mexico	2	0	100.0-
New York	9	10	11.1+
North Carolina	16	21	31.2+
North Dakota	2	6	200.0+
Ohio	55	47	14.5-
Oklahoma	27	20	25.9-
Oregon	3	5	66.6+
Pennsylvania	8	11	37.5+
Rhode Island	0	0	N/A

South Carolina	10	6	40.0-
South Dakota	0	1	+
Tennessee	13	12	7.6-
Texas	66	59	10.6-
Utah	5	0	100.0-
Vermont	0	2	+
Virginia	11	7	36.3-
Washington	11	6	45.4-
West Virginia	3	1	66.6-
Wisconsin	12	10	16.6-
Wyoming	1	0	100.0-

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*Note: 1992 data is preliminary, subject to change as late data and reconciliations are processed.

OPERATION LIFESAVER SUPPORT

Mr. CARR. Please update the information on operation lifesaver and other grade crossing support activities found on pages 647 of last year's hearing record.

[The information follows:]

Funds expended or projected to be spent by FRA in support of highway-rail crossing programs include the following:

	1991	1992	1993	1994
Operation lifesaver handout materials [1]	$15,000	$16,000		
Grants to Operation Lifesaver, Inc. [2]	100,000	100,000	150,000	100,000
From FRA's information processing budget [3]	299,000	253,000	351,000	316,000
Research [4]	100,000	100,000	1,300,000	800,000
Law enforcement [5]		12,400	7,000	8,000
Training [6]	50,000			

[1] Promotional materials and audio-visual materials made available to FRA personnel to use and/or distribute when making presentations to schools and community groups.

[2] These grants assist OLI to continue the conduct of programs, and to distribute educational materials, to advise the public of potential hazards at highway-rail grade crossings and other locations of railroad operations.

[3] The amounts represent the portion of FRA's information budget which is expended in support of the U.S. DOT/AAR National Rail-Highway Crossing Inventory and the crossing accident module of the Railroad Accident/Incident Reporting System. Also included are funds for processing warning device failure reporting which began January 1, 1992. Processing includes data collection and control, retention and report production.

[4] Research projects include freight car reflectorization; locomotive conspicuity; crossing closings; improved train detection in the area of active warning equipment; crossing illumination; improved passive warning devices, grade crossing warnings, and barriers for high-speed rail corridors.

[5] The fiscal year 1992 funds were used to further edit/tailor the original Law Enforcement Television Network program and make it available for on-site enforcement training. The fiscal year 1993 and fiscal year 1994 exhibits, held at the International Association of Chiefs of Police, the National Sheriff's Association, Associates of the Federal Bureau of Investigation Academy, and the Transportation Research Board's Annual Conference, promote crossing safety and trespasser prevention programs and research.

[6] FRA assisted the FHWA in continuing to make available a training program for state, county, and local highway engineers (and sometimes railroad design engineers) that deal with highway rail crossing.

TRANSPORTATION TEST CENTER FUNDING

Mr. CARR. Please provide a detailed breakdown of proposed fiscal year funding for the Transportation Test Center in Pueblo, Colorado, and compare those amounts to fiscal year 1993.

[The information follows:]

The following is a breakdown of research activities funded at the Transportation Test Center (TTC) in fiscal year 1993 and those proposed in fiscal year 1994:

[In thousands of dollars]

Program	Fiscal Year 1993	Fiscal Year 1994
FAST [1]	2,400	2,600
Equipment research	628	300
Hazardous materials	404	550
Track stability	300	300
Loss of shunt	150	200
Environmental remediation	1,100	1,000
Facilities rehab	500	200
Totals	5,482	5,150

[1] Facility for Accelerated Service Testing.

FRA CONTRACT WITH ASSOCIATION OF AMERICAN RAILROADS

Mr. CARR. Please provide details of the recent long-term contract signed with the Association of American Railroads for the operation and maintenance of the Transportation Test Center, including contract terms, costs, objectives, and criteria against which contract performance will be measured.

[The information follows:]

FRA entered into a 10-year contract with the Association of American Railroads (AAR) on October 1, 1992, for the Care, Custody, and Control of the Transportation Test Center (TTC). The basic contract is a no-cost agreement that AAR will operate and maintain and Test Center, at no cost to FRA, in exchange for the right to solicit commercial testing from all sectors of the railroad industry. A unit of the AAR's Research and Test Department staffs and operates the Center.

This arrangement is attractive to those organizations wishing to test new technologies because they can be assured of rigorous, credible test programs while maintaining confidentiality during early test phases. This commercial testing, and testing funded by AAR in support of its in-house research programs, provide substantial non-Federal financial support which has been a major factor in the continuing availability of the Center for all users, which is the major objective of the basic contract.

FRA also identifies specific research and test activities within its own research program which can be accomplished at the Test Center. It is agreed in the basic contract that FRA will make best efforts to maintain a level of $5,000,000 per year in FRA task awards to assure the continued viability of the Center.

Each major FRA project activity is awarded as a separate task under the umbrella of the basic contract. Each test is defined with its own work statement, objectives, cost estimate, schedule, and deliverables. Many of these tasks are joint efforts with cost-sharing between FRA, AAR and other railroad industry participants. The projects are coordinated with industry technical committees to assure that the real problems and needs in the industry are addressed and that test results are promptly communicated to the those who will make use of them.

For the first time in fiscal year 1993, FRA also provided funding for refurbishment of the TTC main facilities, such as repairing building roofs and electrical transmission cables. These expenditures are for major capital items beyond "fair wear and tear" and are the result of the aging of the facility.

CLOSING REMARKS

Mr. CARR. Without objection, I think we will bring this hearing to a close. Tomorrow we will be back with Amtrak and we will talk a little bit about high-speed rail.

Thank you for your time and attention, and we will see you tomorrow.

The Committee is adjourned.

Mr. LINDSEY. Thank you very much, Mr. Chairman.

WEDNESDAY, MAY 5, 1993.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION, AMTRAK

WITNESSES

NATIONAL RAILROAD PASSENGER CORPORATION

W. GRAHAM CLAYTOR, JR., PRESIDENT AND CHAIRMAN, AMTRAK

WILLIAM S. NORMAN, EXECUTIVE VICE PRESIDENT, AMTRAK

DENNIS F. SULLIVAN, EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER, AMTRAK

TIM GILLESPIE, VICE PRESIDENT, GOVERNMENT AND PUBLIC AFFAIRS, AMTRAK

NORRIS OVERTON, VICE PRESIDENT FOR FINANCE AND CHIEF FINANCIAL OFFICER

FEDERAL RAILROAD ADMINISTRATION

S. MARK LINDSEY, ACTING ADMINISTRATOR/CHIEF COUNSEL

JAMES T. McQUEEN, ASSOCIATE ADMINISTRATOR FOR RAILROAD DEVELOPMENT

ROBERT L. KRICK, DEPUTY ASSOCIATE ADMINISTRATOR FOR TECHNOLOGY DEVELOPMENT

OPENING REMARKS

Mr. CARR. Good morning.

We will call the subcommittee to order.

Today we are going to receive testimony on the fiscal year 1994 request for Amtrak and other passenger rail programs. The administration is requesting $837.1 million for Amtrak for fiscal year 1994, which is $9 million below the level of last year.

Amtrak is requesting slightly over $1 billion. These numbers include operating and capital subsidies as well as funds for Amtrak's mandatory passenger rail payments and the northeast corridor program.

Amtrak continues to have some revenue problems, despite congressional appropriations to cure the estimated shortfalls. The drive towards operational self-sufficiency has slowed; employees have been furloughed; and maintenance is being deferred on locomotives and passenger cars.

The situation is serious enough that Amtrak's board of directors has now written to the committee requesting a supplemental appropriation, which I guess is a first in recent memory. We will discuss some of these problems today, as well as Amtrak's request for additional capital funding. We will also review the status of Amtrak's $1.3 billion program to reduce the travel time between New York and Boston to three hours.

In addition, the administration is requesting $140 million for a new initiative in high-speed passenger rail, including $27 million for maglev prototypes and $110 million for a steel-on-steel system.

The subcommittee had a detailed hearing on March 15th regarding high-speed rail and maglev programs.

However, at that time we did not have the fiscal year 1994 budget and had not been presented with the high-speed rail authorization legislation, which has now been proposed and which the committee has reviewed. Today we will review some of these activities as well.

Our principal witnesses today are Graham Claytor, President and Chairman of the Board of Amtrak, and Mark Lindsey, Acting administrator and Chief Counsel for the Federal Railroad Administration.

Let me welcome you both here today to discuss the Amtrak and other passenger rail programs. Your entire statements will be entered into the record. I would ask if you could summarize and then we will get right to questions.

Mr. Claytor, it is always nice to see you. I have learned a lot from you over the years, starting as a Navy Secretary many years ago when you tried to teach me and I wouldn't learn about ELF, up in the upper peninsula of Michigan. Anyway, we have had a nice long friendship and most of what I know about passenger rail, I guess I learned from you. So it is nice to see you again today.

MR. CLAYTOR'S OPENING REMARKS

Mr. CLAYTOR. Thank you, Mr. Chairman.

I am very pleased to be here today to present Amtrak's request for Federal operating and capital assistance.

I have with me on my right Bill Norman, Executive Vice President; Dennis Sullivan, Executive Vice President and Chief Operating Officer. On my left, Tim Gillespie, Assistant Vice President, Government and Public Affairs, and sitting behind is Norris Overton, our Vice President for Finance and Chief Financial Officer.

Mr. Chairman, in many ways, we have seen the best of times and the worst of times for Amtrak. Clearly the public perception of rail passenger service and the role it will play in addressing critical national transportation priorities has never been better.

Indeed, with an administration that so positively views investment in passenger rail service, Amtrak's future should be bright. Unfortunately, Amtrak's short-term financial position is at best precarious. It would be an understatement to report that Amtrak has been deeply impacted by the now three-year-old national economic recession.

Compared to other companies across the nation, particularly in the troubled travel sector, Amtrak has weathered the slowdown in demand for services relatively well. Indeed, one looks at the recession of the airline industry; three bankrupts and four liquidations in three years and losses of $2 billion in 1992.

Amtrak's more stable financial performance over this period demonstrates important underlying market strength. Nevertheless, as a result of the recession, for the first time since 1975, total revenues last year, fiscal year 1992, actually declined $34.2 million or 2.5 percent, compared to our record performance in 1991.

Our budgets for Federal operating and capital support for last year, necessarily submitted almost a year in advance, were based on anticipated continued revenue growth which did not occur. To cope with this problem, Amtrak, in fiscal year 1992, reduced corporate expenses some $44 million from fiscal year 1991, a decrease of 2.1 percent, despite inflation and the added costs associated with the operation of several new services.

Much of this was due to corporate-wide cost-cutting efforts, which decreased staffing of trains and services, and some productivity gains resulting from labor agreements. I must emphasize that some of the cost-cutting actions have degraded the quality of service we are trying to, and in fact we must, provide if we are to successfully compete with travel alternatives.

In particular, we have had to severely reduce the number of passenger equipment capital overhauls at our Beech Grove, Indiana maintenance facilities, with a layoff last fall of over 250 workers. This was a cost savings that is elusive in the long run.

Much of the equipment we are running today is simply too old to withstand the long delay in overhaul work and the result is a significant increase in the equipment failures. And the use of equipment that looks and functions poorly will severely undermine the marketability of our service in the coming years, if it is not corrected.

While these cost reductions and service degradations do not make sense for the long run, we expect that there will be short-term actions, and we shouldn't restore cuts that hurt us further in revenue growth. The short term has passed and we are in no position to restore those cuts nor can we afford to make any new service cuts without significantly adversely affecting our ridership and revenues, particularly in the coming season in summer.

Now, in fiscal year 1993, we are still experiencing the effects of the recession, even though we have continued our cost reductions. Amtrak's year-to-date revenues are off about $18 million from our budget for this year. And because of the unsettled state of the travel market, it appears that our year-end deficit will be between $30 million and $60 million.

REQUEST FOR FISCAL YEAR 1993 SUPPLEMENTAL FUNDS

Recognizing that a serious shortfall is likely by the end of the fiscal year, I have no alternative but to ask for a supplemental appropriation in the amount of $58 million that was authorized last year for the current fiscal year 1993.

I want to emphasize that requesting additional funding for the current year is not a step I take lightly. I have not, since becoming Amtrak's Chief Executive Officer in 1982, ever requested any increase in operating subsidy. We still intend to try eventually to reduce our dependence on Federal operating support.

But, Mr. Chairman, we are also very disappointed at the apparent demise of the President's Economic Stimulus Package. I am extremely concerned over the impact that the failure to enact this legislation will have on Amtrak and on consumer confidence, because Amtrak had $188 million of capital funds in that bill. With this legislation, we would have had the opportunity to put hundreds if not thousands of people back to work throughout the country, including a large number of furloughed employees in Indiana who should be overhauling and updating our aging passenger equipment fleet.

Unfortunately, we are unable to pay these employees to overhaul equipment that we desperately need to have. The government, through unemployment benefits, is paying them not to work.

Other very important Amtrak-related infrastructure needs will also have to be delayed or remain unaddressed, including important station accessibility and facility upgrade projects that would put significant numbers of other people to work and would have improved productivity and reduced operating costs. Even worse than the loss of funds to enable us to reemploy our furloughed employees, unless some additional capital funds can be attained fairly quickly this year, we will be required to furlough over 400 additional employees at both Beech Grove, Indiana, and Wilmington and Bear, Delaware, working on overhauling equipment.

The present capital for this work will be exhausted by the latter part of May. Within this short time frame, the only practicable solution would be the reprogram of a limited amount of other unobligated capital for continuation of this overhaul work in Beech Grove and Wilmington.

It is my understanding that this subcommittee in the near future may be considering supplemental capital funding requests from the administration for fiscal year 1993 as part of a jobs creation effort and as a means to address critical Federal programs currently underfunded for the year. I believe it is essential for any such bill to include at least the $21 million of capital needed to continue our present capital overhaul program for the rest of the current year.

This additional amount would be clearly within the capital authorized but not yet appropriated for fiscal year 1993. And would be used to replace any capital temporarily reprogrammed in order to avoid immediate layoffs.

I would hope that bill would also include additional funding to enable us to restore the overhaul program canceled last autumn, which would also enable us to call back those employees.

Some of the problems I have discussed have been outlined in a letter sent yesterday to this and the Senate Appropriations Subcommittee by our four existing outside directors, led by Haley Barbour, the Chairman of Amtrak's Finance Committee. This is not and should not be a partisan issue.

FISCAL YEAR 1994 REQUEST

Mr. Chairman, now turning to our budget for next year, fiscal year 1994, I am extremely pleased that the administration has included significant funding for Amtrak in the Northeast Corridor Improvement Program. This is the first time in well over a decade that an administration has so strongly supported the Nation's intercity rail passenger service.

As you may recall, for a long period during the Reagan administration, our effort was to stay alive. We won that battle but now we face the problem again from a different source. I regret very much, however, that because of the current economic environment we are forced again to seek additional Federal operating support for fiscal year 1994 above the amount we were allocated the previous year.

We have requested the previously authorized amount of $381 million in Federal assistance to permit operation of the existing system, and an additional $9.5 million for new State supported service, as authorized by last year's Amtrak Authorization and Development Act. That would be for new 403(b) trains that otherwise would have to start operating at a loss to Amtrak.

OPERATING AND CAPITAL NEEDS

The President's budget included the same level of operating funds, $331 million, as was provided by Congress for our fiscal year 1993 operating budget. Given our experience in the current year, there is no question that appropriations at that level will leave Amtrak severely short of operating funds in 1994. We would not be able to provide reliable passenger service at existing levels of the shortfall and the capital for Amtrak would also pose long-range problems.

For Amtrak, our capital needs, many of which have simply been delayed year after year, continue to grow. We requested the full authorized level of $250 million for next year because of the many pressing capital needs that we face.

These needs are vastly greater as a result of safety and legal requirements imposed on us by the Americans with Disabilities Act, by orders of the Food and Drug Administration, and for required retention waste systems that we are supposed to have in place within four years.

More capital is also required if we are to acquire the equipment we need to meet growing demand or merely to upkeep and maintain our existing aging equipment fleet. The $165 million included in the present budget would leave many of these and other critical needs unmet.

While we are grateful for the administration's support of the NECIP funding in the amount of $204.1 million included in the President's budget, the subcommittee should understand that even this amount may not be enough to avoid slowing down the schedule for completion of the Northeast High-Speed Rail Improvement Project and the acquisition of new high-speed train sets for the Northeast Corridor.

Our request here, as I have mentioned, had been for $250 million, which is what we need to do this job on schedule.

Amtrak will work closely with the subcommittee and administration to help determine what level of funding meets the desired policy goals.

While the past year has brought some disappointments, Amtrak succeeded in setting the course for what should be a very successful decade. The tremendous amount of public interest and enthusiasm in Amtrak's test of the X-2000 tilt train is reflective of an American public.

With an improving economy and increase in travel demand and prospect of high-speed rail, Amtrak revenues should resume the high growth rates achieved in the 1980s, provided that Amtrak is given the capital it needs to invest in new equipment and facilities.

We look forward to working with a new Congress and administration in developing a national rail passenger system that meets the country's growing transportation and governmental needs.

In conclusion, Mr. Chairman, I would like to ask our Chief Operating Officer, Dennis Sullivan, to discuss very briefly a chart that shows graphically the rather unhappy state of our total car and locomotive overhaul program.

HISTORY OF AMTRAK'S OVERHAUL PROGRAM

Mr. SULLIVAN. With your permission, Mr. Chairman, I would like to briefly explain the chart.

As Mr. Claytor indicated, this is the chart that tries to lay out the situation with our equipment overhauls, both cars and locomotives. On the vertical scale here, we have the number of overhauls that we performed during a year. And along the bottom is the fiscal years, beginning with fiscal year 1989, and we have projected out through fiscal year 1994.

The orange line in each year indicates the number of locomotives that were overhauled, both diesel and electric locomotives, at Beech Grove and Wilmington.

The blue lines in each one, fiscal years, indicates the number of cars that we have overhauled at our shops during those years. And the red line is the total of cars and locomotives.

The horizontal lines going across the graph indicate the number of locomotives and cars in total, that we should be overhauling to stay within the recommended cycle of our mechanical department.

And you can see in each instance during 1989, 1990, and 1991, while we were falling slightly short of the recommended line, we were still going at a pretty steady level which kept our fleet in a fairly good condition during those three fiscal years. But beginning in fiscal year 1992, due to the financial condition of the corporation and the reduction of revenues, we were forced to cut back our overhaul programs in fiscal year 1992, and in fiscal year 1993.

We have attempted to keep the locomotives fairly steady, but the car overhauls at Beech Grove and Wilmington have fallen off substantially. This gives us the unhappy situation of an increasing unreliability in the car fleet that we have out there operating, the shoppings are up substantially during the last two fiscal years.

Should we not get additional funding for fiscal year 1993, we would reduce the overhauls and furlough the 400 additional employees at Beech Grove and Wilmington, as Mr. Claytor described in his opening statement. And as you can see, the cars would come from 215 down to 188; locomotives we go from 68 down to 47. That would be through the remainder of this fiscal year. The 1994 projected numbers show, based on our requests, the number of overhauls that we would perform during fiscal year 1994.

The economic stimulus package, which Mr. Claytor mentioned, had a substantial amount of money for capital overhauls that would have increased the number of overhauls that we would be able to do in fiscal year 1993, and again right on into fiscal year 1994.

So I hope that makes clear what the situation is with our overhauls, Mr. Chairman.

Mr. CLAYTOR. Thank you, Mr. Chairman.

Let me say, as I mentioned in my statement, I feel that it is a bad business decision to have done the various things we have had to do this past year, that they are justifiable only on a short-term basis and will have to be fixed soon on a long-term basis. They can put Amtrak out of business, because you cannot operate cars and locomotives without overhauls on the kind of basis that is shown here, Mr. Chairman.

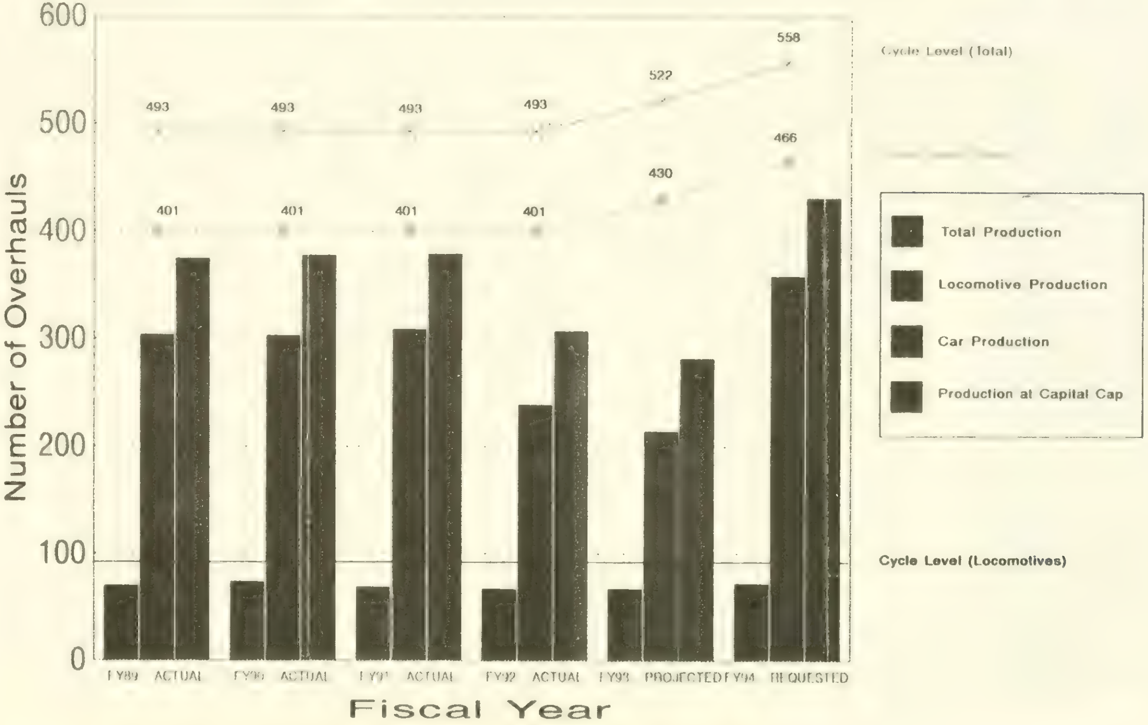
Thank you very much.

We will now try to answer your questions.

Mr. CARR. Well, we have many, but why don't we go to Mr. Lindsey first and hear this testimony, then we will do all the questions at once.

[The equipment overhaul chart and prepared statement of Graham Claytor, Jr. follows:]

Equipment Overhaul Status



TESTIMONY OF

W. GRAHAM CLAYTOR, JR.

PRESIDENT AND CHAIRMAN OF THE BOARD

NATIONAL RAILROAD PASSENGER CORPORATION

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS

U.S HOUSE OF REPRESENTATIVES

MAY 5, 1993

As President and Chairman of the Board of the National Railroad Passenger Corporation, better known as Amtrak, I am very pleased to present Amtrak's FY 1994 budget request and to outline the severe budget pressures we will face during the remainder of FY 1993. We very much look forward to addressing with the Subcommittee the exciting, if at times, difficult, challenges we face to provide the country with the best possible intercity rail passenger service.

In The Short-Term: A Tough Year In A Tough Economy

It would be an understatement to report that Amtrak has been deeply impacted by the now three-year old national economic recession. Compared to other companies across the nation, particularly in the troubled travel sector, Amtrak has weathered the slowdown in demand for services relatively well. Indeed, when one looks at the impact of the recession on the airline industry -- three bankruptcies and four liquidations in three years and losses of more than $2 billion in 1992 -- Amtrak's rather stable financial performance over this period demonstrates important underlying market strength.

Nonetheless, for the first time since 1975, revenues in FY 1992 actually declined ($34.2 million or 3.3 percent) compared to our record performance in FY 1991. While this should not obscure the fact that Amtrak generated well over $1.3 billion in passenger and other revenues during the year, our performance failed to meet even our modest expectations for the year. This is the result of weak passenger demand. The recession took a serious toll on demand for travel services. Passenger ticket revenues fell 3.5 percent, intercity ridership fell some 3 percent, and passenger miles declined from 6.3 billion to 6.1 billion. Three isolated events also significantly undermined ticket revenues: Hurricane Andrew virtually wiped out travel to the south for several weeks; a threatened rail passenger strike and actual freight railroad shutdown forced our passengers to use other travel modes; and a fratricidal airline fare war devastated long-distance rail demand during the peak summer months.

On the other hand, Amtrak's ability to reduce corporate expenses last year represents an important achievement and bodes extremely well for future financial improvement as both passenger revenues and real estate development rebound with a stronger national economy. Expenses declined $44 million from FY 1991 -- a decrease of 2.1 percent -- despite inflation and the costs associated with the operation of several new services. Much of this was due to corporate-wide cost cutting efforts, which included a management salary freeze, decreased staffing of trains and services, and some productivity gains resulting from new labor agreements. Indeed, with the decrease in expenses, Amtrak actually posted its highest revenue-to-cost ratio in its twenty-one year history -- .791.

While I am pleased that we were able to reduce costs so effectively during this difficult time, I must emphasize that some of the cost cutting actions have degraded the quality of service we are trying to -- and indeed must -- provide if we are to successfully compete with travel alternatives. In particular, we have had to severely reduce the number of passenger equipment overhauls. This cost savings, however, is elusive in the long run. Much of the equipment we are running today simply is too old to withstand a delay in overhaul work and the result -- a significant increase in equipment failures and the use of equipment that looks and functions poorly -- will severely undermine the marketability of our service in coming years. Delaying the overhaul of equipment simply is incompatible with, and directly impacts, achievement of Amtrak's goal of steadily improving the quality of its service.

As you well know, the economic stimulus appropriations that failed to pass in the Senate a few weeks ago included $188 million for critical Amtrak capital projects. Amtrak was extremely disappointed with the failure to enact the package because the modest amount of funds included for Amtrak not only would have created significant employment opportunities immediately and enabled us to start to catch up on our lagging equipment overhaul program, but it also would have funded many important capital projects that were eliminated from our capital plan due to funding shortfalls in previous years.

Most disappointing was that we were unable to recall almost 200 furloughed employees in Beech Grove, Indiana to proceed with our delayed and badly needed overhaul work on our aging equipment fleet. Unfortunately, not only are we unable to recall furloughed workers, we are now facing the prospect of being forced to furlough approximately 300 more employees at Beech Grove, and also 150 employees at our Wilmington and Bear maintenance facilities just after the middle of this month. This is a devastating loss for Amtrak in many ways, not the least of which is that canceling these overhaul programs means we will not be able to provide all the equipment we need for our peak ridership period during the coming summer months. This will result in the loss of even more revenue opportunities and increase our dependence on additional federal operating support.

As this Subcommittee knows all too well, the development of the budget for the upcoming fiscal year by institutions like Amtrak has to be done almost one year in advance. Accordingly, we must depend a great deal on the previous years' ridership and on economic trends. To the extent that these projections are off, our revenues will be off and the amount we seek from the federal government will be not only inaccurate, but inadequate.

We were hopeful that the economists' projections were accurate when it was suggested that the recession was over. You may recall that former President Truman once asked for "a one-handed economist," so that they could not say "on the other hand"... I, too, would like the benefit of a one-handed economist but they do not exist. We are in the third year of a recession in the travel industry. Amtrak's revenues are $18 million under budget through March with no prospect that they will improve dramatically anytime soon.

For the past two years of the recession, Amtrak had to take actions that would help us live with the shortfall of revenues. We expected that they would be short-term actions and that we could restore some of the cuts that hurt service and revenue growth. Reducing the number of people that handle reservations has helped costs but our passengers have to wait longer when they call to make a reservation. Reducing the number of people in stations means people get less help with their baggage or wait in line longer for a ticket. Reducing the number of people on board our trains results in less service when the passenger travels on the train. These cost reductions do not make good long-term business sense, but for the short-term they help with costs when revenues are inadequate. The short-term has passed and we cannot afford to make any further cuts along these lines. As I have already mentioned, the stimulus package would have helped us to overcome the funding problem with the overhaul program but that prospect has faded. This is an issue that must be addressed in the next supplemental appropriation bill considered by Congress. I recognize that the legislative process will not move fast enough to avoid further furloughs but if we fail to resolve this particular problem quickly, by reprogramming capital funds or otherwise, the only opportunity we have to maximize revenues during the peak summer season will be lost.

Some of these problems have been identified by the outside members of our Board of Directors in a letter being sent to this Subcommittee. This is not a partisan issue. Regardless of party affiliations, our Board members are responsible people who are familiar with the current economic impact on Amtrak and who feel that it is their responsibility to inform Congress that this has serious implications for Amtrak's future.

In order to adequately address these problems and begin to restore service quality and avoid a crisis at the end of FY 1993, Amtrak urges this Subcommittee to consider enacting a supplemental appropriation within the amounts already authorized for FY 1993.

This very serious situation is brought on by adverse economic conditions and certain extraordinary business reverses, which over the past three fiscal years incurred real costs that totaled $84 million more than the sum of Amtrak's operating grants and available revenues. As a consequence, by the end of FY 1992, Amtrak's cash reserves had deceased to less than $15 million. Over the first six months of FY 1993, Amtrak's economic situation has not improved. Rather, our six-month revenues are $18 million below budget, and without a sharp resurgence during the remainder of the year, the year-end deficit is forecasted to be between $30-60 million. After three years of the cost cutting measures described above, there is simply no way that Amtrak can reduce operating expenses further to offset such a problem. The result of this would be a very serious cash shortfall come September. Therefore, Amtrak's pending request for an operating expense supplemental will, by necessity, be directed at maintaining current operations through the balance of this fiscal year, rather than restoring much-needed staffing and service levels reduced over the past few years as originally requested in February.

I want to emphasize that requesting additional funding for current year operations is not a step I take lightly. I have not, since becoming Amtrak's Chief Executive Officer in 1982, ever requested any increase in operating subsidy, and we still have as a legitimate objective the eventual elimination of such subsidy. Only because continued operation of the system depends on this request has Amtrak made the difficult choice to turn to Congress for further assistance. It is my understanding that this Subcommittee may be considering supplemental funding requests from the Administration for FY 1993 as part of a jobs creation effort and/or as a means to address critical federal programs currently underfunded for the year. I cannot urge you too strongly to consider Amtrak's current operational and capital needs in any such legislation.

In The Long-term: A Return To Impressive Growth

Despite the setbacks of the past and current year, I remain extremely bullish on Amtrak's future for the rest of the decade. Interest in the rail passenger alternative -- both conventional and high-speed intercity rail service as well as commuter rail -- has never been greater in this country, and Amtrak is well positioned to benefit enormously from this interest. The tremendous amount of public interest and enthusiasm over Amtrak's recent testing of the Swedish high-speed X2000 tilt train is reflective of an American public that remains fascinated by the lure of the "iron horse" of yesterday and the high-speed one of the future. Amtrak has proven that Americans prefer to travel by rail where service is convenient and reliable and price and time are competitive. The challenge for Amtrak, Congress and state governments is twofold: to identify those corridors and routes where the energy efficient and environmentally superior rail mode makes good transportation and environmental sense and to provide the funding needed to establish reliable, high-quality and time-competitive service over existing rail corridors or on new dedicated rights-of-way. The initiative introduced last week by the Administration is an important first step towards meeting that challenge. However, if Amtrak is faced with continuing financial difficulties, our ability to go forward with our plans for high-speed corridors will certainly be jeopardized.

For its part, Amtrak has taken several critically important steps that will permit it to operate new service in the most efficient way possible and with the highest level of quality.

Continuous Quality Improvement Amtrak has begun the critical process of revamping its corporate culture to change the way in which its employees manage the corporation. Using the tools of continuous quality improvement, Amtrak is beginning the change-over to a customer-driven, management-led system in which all employees, working in teams, will use a variety of statistical and non-statistical tools to continuously improve the processes that drive our operation. The result will be incremental improvements in the quality of Amtrak products and services to meet or exceed our customers' expectations. Accomplishing these goals will require an evolution in Amtrak's corporate culture to one in which there is more open communication, fewer barriers between departments and between employees, a spirit of innovation and involvement, and a high level of employee satisfaction.

These will not come easily -- particularly in an industry that resounds with the phrase: "but that is how it has always been done!" Nonetheless, I firmly believe that Amtrak will succeed in this goal for two reasons. First, our senior management is totally behind this effort and is willing to take the steps necessary to change its own way of doing things. Second, many of the new labor agreements for the first time commit the employees to participate in quality improvements. Clearly, Amtrak cannot master the tools of continuous quality improvement without the full commitment and participation of all our employees -- management and agreement-covered and their labor union representatives -- to train, strategize, problem solve and work together in ways that are innovative for this industry. This will take years to fully implement, but it is a key to establishing the cost efficiencies and quality of service that will be essential if, as I believe, a genuine renaissance in demand for rail passenger service develops.

The growing interest in and demand for both additional conventional intercity rail passenger service and new high-speed rail service are truly breathtaking. Amtrak stands to gain enormously from this recent surge in interest as a result of our long-experience in operating high-speed service on the Northeast Corridor and our steady progress in implementing high-speed service between New York and Boston.

Labor Contracts One such step was the resolution of new labor agreements, which will help lay the foundation for our future success. After four years of negotiations, agreements were finally reached with nearly all of Amtrak's 14 labor organizations. Some were reached voluntarily, while others were imposed through Congressionally mandated arbitration. While the process was at times divisive, the resulting agreements achieved important objectives for both Amtrak and its employees. Work rule changes, including the right to use part-time workers and increased use of shop craft employees across union jurisdictions, will allow Amtrak to structure its operations more efficiently and cost effectively. Steps to help control the enormous cost of health benefits were also agreed to with the employees. In return, wage increases considerably in excess of those received by workers in other industries have been provided. In order to prevent the drawn-out contract negotiations process from undermining the financial position of our employees, the contract includes a cost-of-living wage adjustment, to be made every six months, during the negotiation of new contracts. With negotiations now behind us, there is an opportunity for a new commitment by both management and labor to jointly focus on an improved Amtrak.

New Service New service between New Orleans and Miami -- extending our current Los Angeles-New Orleans Sunset Limited -- began just recently, resulting in Amtrak's first transcontinental route. New routes in California and North Carolina, as well as efforts to bring service to Maine, reflect the willingness of states to support rail initiatives even during such financially strapped times. The decision by Congress in last year's Amtrak reauthorization act to authorize separate funding for new state-supported rail passenger service sent a clear message to the states that the federal government is willing to support efforts to jointly fund new Amtrak service where it makes sense.

As the Subcommittee may know, the Conference Report accompanying the Amtrak Authorization Act (Public Law 102-533) included language that required Amtrak to initiate new 403(b) service between Mobile, Alabama and New Orleans, Louisiana "within 12 months of the date of enactment." While Amtrak will always make every effort to comply with Congressional intent, we are not in a position to meet this requirement unless funding is made available under the 403(b) authorization. We urge the Subcommittee to consider funding this section of the act.

New Equipment With the support of this Subcommittee, Amtrak has initiated several important equipment acquisition orders that will help provide the capacity we need to meet growing demand and help reduce our dependence on federal operating support. As the 140 new Superliners begin arriving this year, we will gradually be able to upgrade the equipment used on the Auto Train, convert the Capitol Limited and City of New Orleans to Superliner equipment, increase sleeping car and coach capacity on numerous long-distance routes, and convert the Cardinal to daily service (using single-level equipment released as a result of the delivery of Superliners). In October 1992, Amtrak ordered the first 50 new Viewliner cars that ultimately will replace nearly our entire fleet of Heritage cars. These new Viewliners will begin to arrive two years from notice to proceed. Finally, next week we will be celebrating the delivery of the first of our new locomotives which will be arriving at the rate of 5 per month, providing relief to our exhausted and undersized fleet of diesel and dual-power engines.

These cars and locomotives represent the first of many that will have to be ordered as we move towards the next decade. They will be coming on line just at the right time -- as the strengthening national economy brings a populace eager to travel again -- and symbolize the vision that Amtrak has for the future of rail passenger service in this country.

The Subcommittee should be aware that since submitting our budget request in February the state of California has informed Amtrak that we have an opportunity to purchase up to 47 shells of the so-called "California Car" which the state is in the process of procuring. The state of California awarded a $155 million contract in February 1992 to Morrison Knudson to build a total of 88 "California Cars" (41 of which would be for intercity service). The remaining 47 cars included in the order were to have been configured for commuter service. However, commuter authorities in California have expressed an interest in a different design for their commuter needs which could result in the canceling of 47 cars with a possible penalty of $8 million to the state of California. The state has offered Amtrak the option to acquire them with an intercity configuration. Because of other pressing capital needs we are currently not in a position to pursue this opportunity, but we are continuing to explore options.

Commuter Contracts During FY 1992, Amtrak was awarded contracts to operate commuter rail service between San Jose and San Francisco, in Northern Virginia, and in the Los Angeles area. These contracts are of major importance for Amtrak and will provide incremental revenue for the corporation. In addition, they further cement Amtrak's role as the commuter operator of choice in the nation. Amtrak is now operating all or portions of the commuter rail service in many of the nation's major cities including Boston, Providence, New Haven, Washington, Baltimore, San Francisco and Los Angeles, and indeed commuter ridership on Amtrak now exceeds intercity ridership. We intend to work hard to maintain our existing contract operations and to win additional commuter service contracts as plans for new systems in over 20 cities nationwide move toward fruition. We are extremely proud of our progress in this area and we believe it demonstrates the high level of confidence in Amtrak held by transportation planners across the country.

Amtrak's FY 1994 Grant Request

In accordance with statutory requirements, last February, Amtrak provided the Subcommittee with its FY 1994 request for federal operating and capital support. It disappoints me greatly to report that, as a result of poorer revenue growth than projected last year and continued weakness in the national economy, Amtrak is seeking its first increase in federal operating assistance in over a decade. It is essential that the Subcommittee understand that Amtrak's request for additional funding does not in any way alter our desire and commitment to continue reducing our need for federal operating assistance. Nonetheless, as we have explained in the past, generating greater revenues relative to operating costs requires a stable economy, a growing market for our service and the ability, through capital investment, to expand and improve our service and productivity. Clearly, the state of the national economy has deprived us of the strong passenger market that so characterized the 1980s, when Amtrak routinely experienced double digit revenue growth. While our projected FY 1994 revenues reflect the improving national economy, growth remains sluggish and is likely to remain that way for the rest of the fiscal year.

For FY 1994, Amtrak is requesting $381 million in operating assistance. It is important to note that Congress foresaw the potential difficulties posed by the weak national economy for Amtrak by authorizing an increase in operating assistance to the

$381 million level in the Amtrak reauthorization enacted last fall. That legislation also provided a separate authorization of $9.5 million for the operating losses associated with the initiation of new 403(b) services. As mentioned, this funding for new 403(b) services is critical to Amtrak's ability to comply with Congressional intent.

The Amtrak reauthorization recommended federal capital support in the amount of $250 million, which is the level we are requesting for the year. This capital, which is so vitally important to us, would support, among others, the following:

- new electric locomotives to augment the fleet;
- overhaul of cars and locomotives that no longer can be delayed;
- accessibility improvements mandated by the Americans With Disabilities Act and waste system improvements required by the National and Community Service Act;
- improvements required to ensure that Amtrak's on-board food service meets strict Food and Drug Administration requirements;
- improvements at Amtrak's maintenance facilities to streamline and modernize operations and improve the efficiency of maintenance activities.

As the Subcommittee is aware, these improvements are essential if Amtrak is to provide the capacity it needs to generate new revenues while controlling costs. Indeed, it should be no surprise at all that the goal of reducing our operating costs simply will be impossible without a significant boost in capital appropriations. Much of our revenue growth during the

1980s was due to the increased capacity of then new equipment, and we believe that capital investment in Amtrak will result in those types of increases again.

Mr. Chairman, I am delighted that you have indicated that, as the new Subcommittee Chair, you intend to inject economic and business principles into determining how the federal government will place priority on funding transportation capital projects. I applaud your rational approach to government investment, and I hope that we are able to convince you and your Committee that we at Amtrak try to exercise those same principles in determining priority of Amtrak capital projects. While we may not always be able to demonstrate an acceptable financial rate of return on each capital project, I insist that there be good economic, business, and policy reasons for pursuing each capital investment.

For the Northeast Corridor Improvement Project, Amtrak is requesting $250 million, the amount authorized in the recent Amtrak reauthorization act. Of this amount, $183.7 million will support the ongoing Northeast High-Speed Rail Improvement Project, which will provide a pattern for high-speed corridors elsewhere. Considerable work is underway in this exciting Amtrak initiative and we are extremely grateful that Congress has provided the funding for it during this difficult financial period. We are also pleased that the Administration supports a significant funding level for this project and we intend to work closely with both the Office of Management and Budget and the Department of Transportation so that everyone in the process understands our rationale for the development of these plans. Ongoing work includes the environmental impact analysis, design of the electrification system, track improvements, and installation of a modern train and speed control signal system.

The project is strongly supported by transportation planners, environmentalists, and high-speed rail advocates. In addition, this project will contribute important regional economic and job growth. Amtrak projects that three-hour New York-Boston service will pull between 2.5 million and 3.0 million travelers from congested airports and highways onto the train, resulting in important air quality improvements and helping to delay the enormous cost of regional airport and highway expansion projects. While there is always some opposition to increased service and electrification from some of those living immediately adjacent to the rail line, the concerns that have been raised are the focus of review by the federal government and will be addressed in the environmental impact statement.

Of the funds requested for the project, some $68 million would be used to support the acquisition of the 26-30 new high-speed train sets. As we have already informed this committee, Amtrak intends to work with New York State in its high-speed rail corridor development and specifically with its request under 1036(c) of ISTEA for high speed demonstration funds. Amtrak intends to use a portion of the $14 million appropriated by this Subcommittee for the purpose of developing a dual-power high-speed train set. We anticipate that our contribution would be in the range of $2.5 million if the Federal Railroad Administration approves the application of New York State for 1036 funding. We think this is an important step in the development of a high-speed, non-electric, fossil fuel power unit and we hope that the committee will support this effort. In addition, we would like to apply the remainder of the $14 million to the $68 million (that we are requesting this year under NECIP) for the development of the 26-30 high-speed train sets to cover the cost of the prototype non-electric train set.

As directed by report language to the FY 1993 transportation appropriations bill, Amtrak will be providing the Subcommittee with a report on options for financing the new equipment. As we described above and in a paper provided to this Subcommittee during the hearings on high-speed rail, we intend to include in this procurement the development of a prototype non-electric power unit, with a dual-power third-rail capability. We will keep the Subcommittee fully updated on the status of the procurement for this new equipment.

The NECIP request also includes $67 million for improvements south of New York on the Northeast Corridor. These include safety improvements to the rail tunnels under the Hudson and East Rivers and upgrading of the electric traction and communication systems.

The Northeast Corridor is providing the only high-speed rail service in the hemisphere and, with improved infrastructure and new high-speed equipment, it can be a show case for the world. Importantly, it is doing so while at the same time providing service to over 65 million commuter rail passengers and numerous freight customers. Americans should be proud of the commitment Congress has made to preserving and upgrading this enormously important national transportation asset.

Conclusion

While the past year has brought some disappointments, Amtrak succeeded in setting the course for what should be a very successful decade. With an improving economy and an increase in travel demand, Amtrak revenues should resume the high growth rates achieved during the 1980s, provided Amtrak is given the capital it needs to invest in new equipment and facilities. We look forward to working with the new Congress and Administration in developing a national rail passenger system that meets the country's growing transportation and environmental needs.

Mr. Lindsey's Opening Remarks

Mr. Lindsey. I am pleased to be back before you this morning, Mr. Chairman, to talk about passenger rail programs.

With me this morning to my left is James T. McQueen, who is our Associate Administrator for Railroad Development; and to his left Robert Krick, who is the Deputy Associate Administrator for Technology Development, and also director of all of our research and development efforts.

For Amtrak, the budget reflects what Secretary Pena labeled in introducing the Department's budget this year as support for rail. As Mr. Claytor noted, a significant departure from past Department budgets.

FISCAL YEAR 1994 REQUEST

We have proposed fundamentally continuing the same level of support for Amtrak as Amtrak is receiving in fiscal year 1993. It reflects $468 million for operations and $165 million for capital.

The difference in the two years reflects an offset in the mandatory payments which get corrected over time so that the total is, roughly, $9 million less, but reflects the same level of benefit to Amtrak.

The Administration recommends $204.1 million for the northeast corridor improvement on the north end. We believe that amount is sufficient to keep the work going as we now anticipate it to be, in terms of physically improving the right of way. It would slow down acquisition of equipment below the pace which Amtrak would like, but would permit acquisition to proceed, nevertheless.

HIGH SPEED RAIL INITIATIVE

I would like to spend most of the time in the summary of my statement discussing the Administration's new high-speed rail initiative. You mentioned, Mr. Chairman, that you had seen the bill that has been introduced for the high-speed rail portion of the initiative. There is a maglev portion as well. I would like to describe that briefly this morning.

Secretary Pena announced the initiative last Wednesday to great excitement and a reception that we very much liked. This proposal reflects an attempt to see and meet the travel needs of Americans some decades into the future. Some elements of that initiative are designed to meet relatively near-term needs and others considerably out into the future. It reflects the emphasis that we believe is appropriate in our economy on passenger travel.

The Administration's vision of the role of high-speed rail is as a component in an integrated, intermodal transportation system. High-speed rail is one component that fits some markets, but not all markets. It plays complementary roles with regular Amtrak service and with air service. We envision that it would be possible under the program, as we have outlined it, to end up with high-speed rail in the markets where it fits, so that travelers can make the choices appropriate to them and to have more choices.

High-speed rail, we think, is most appropriate in markets between 100 and 500 miles. It provides fast, safe, and efficient service, as has clearly been demonstrated in other places in the world. Among the benefits to be had from high-speed rail, it links city centers together via intermediate points, suburbs, airports and other facilities. It can share rights-of-way with commuter rail.

There are a great many positive externalities to high-speed rail: It is far less oil-dependent than other forms of transportation; it contributes to cleaning up our air; it uses less land than other transportation alternatives; it fosters development in American industry of high-speed rail production once again, and this is particularly fruitful at a time when we are considering conversion of defense industries to peacetime uses; it contributes to air system congestion relief and potentially in some areas, to airport construction relief.

I would like to outline some key elements of the program as well. The bulk of the program in dollar terms reflects corridor development.

The proposal is that each corridor would be a partnership with local States, private interests, and any other stakeholder who wishes to participate. That focus is reflected first in the States being key decision-makers as to whether they need high-speed rail service in a particular corridor. If so, a state would approach us with proposals to develop that corridor hopefully having put together partnerships.

There are several steps to the program, as we have outlined it. The first is an eligibility stage during which a State would make a proposal to the Secretary, meeting a rather substantial list of objective eligibility criteria to be declared eligible for funding.

The corridors that are already eligible for funding under Section 1010 of ISTEA would be eligible simply upon a submission from the governors of those States to be included as eligible.

The same is true of the Empire Corridor in New York, which meets an objective criterion for already providing service in excess of 100 miles per hour.

Certainly, though, this is not exclusive because other States that wish to participate may put together partnerships and apply, and the criteria are very objective so that participation is open to all. Those who are found eligible by the Secretary would then put together master plans for service in their corridors. Preparation of those plans would be cost shared on an 80–20 Federal-local basis.

Master plans would describe, among other things, all of the elements necessary to provide high-speed rail service in those corridors. Financial assistance agreements could then be entered into for particular elements of those master plans.

We would look for maximum private funding in each one of those cases before public funding would be extended. There would then be an 80–20 Federal match with State and local funds after private funding was maximized, with the further control that the Federal share should not exceed 50 percent of the total amount of the public funds going into the project. The difference there being that Federal funds are not eligible for being part of the 20 percent match, but Federal funds in other programs ineligible for matching that are nevertheless expended on a corridor are considered part of the public share for purposes of calculating whether or not funds made available under this program would exceed 50 percent of funding.

The eligibility criteria are designed in such a way that things eligible for funding under other Federal programs would be ineligible under this one.

For this program, out of a total program of $1.3 billion over five years, we envision that $982 million would be devoted to corridor development. For fiscal year 1994, we are requesting $96 million for corridor development of which $25 million would come from the general fund, $71 million from Sections 1036(a) and 1036(d)(1)(A) of ISTEA. Of course, this is but one option for funding the program, and we are aware that there are other options under consideration in Congress. The Administration is certainly open to options that Congress may wish to pursue for funding the program.

The remainder of the initiative is under the rubric of technology development, which has two principal elements: One element is high-speed rail technology development; the other is the design of a maglev prototype fundamentally technology development as conceived in ISTEA.

Out of a five-year total in the initiative of $303 million for technology development, we envision that $75 million would be devoted to high-speed rail technology and $228 million to design of a maglev prototype.

For the high-speed rail money, we envision that $5 million of that would come from funds made available for that purpose already in ISTEA, and $10 million from the general fund. We envision in the high-speed rail portion of technology development that we would be seeking development of such things as a high-speed nonelectric locomotive to provide high-speed rail service in corridors that are not presently electrified and very much improved grade crossing protection for some higher-speed services.

We do not now in this country, for example, have a full barrier system that blocks the entire roadway at a grade crossing and that is interlocked with a train control system governing rail traffic up and down that corridor. We would envision trying to develop such a system and testing it.

We believe there are signal and train control improvements that can be developed during this time that could greatly assist in high-speed rail development. That is the sort of project we would pursue in the high-speed rail technology development portion of the initiative.

For maglev development, we envision fundamentally following the outline laid out in ISTEA with some modification. The first phase, which ISTEA envisioned as being 12 months, we would extend to 18. Where ISTEA envisioned that there would be five contractors competing to do concept designs of a maglev prototype, we would reduce that number to three, with each contract being the same size as before.

Similarly in phase two, where ISTEA envisioned an 18-month period to develop final design, we believe 30 months should be allowed. And where three contractors were called for under ISTEA, we believe that two contractors would suffice, again with their contracts being about the same amount.

The purpose here is first to lower the technological risk of developing the program. Time is particularly important there, to give contractors enough time to assure that their designs are the best they can produce. And, particularly in the second phase, time to test at least critical components and subsystems to be sure they are going to work as intended, so we have the greatest likelihood of producing a final design that will work and work well.

We would also propose a feasibility check at the end of 1994. ISTEA calls for a commercial feasibility study to be done in two years. We would complete that study in one and at the end of that time, if the study did not indicate that the maglev program should proceed, it would be terminated. We would prefer in that event to devote those funds to corridor implementation. In 1994, for this portion of the initiative, we are requesting $29 million made available under Section 1036.

And that is the total of the Administration's high-speed rail initiative, Mr. Chairman. We commend it to you.

We believe that it will well serve future travelers in the United States for decades to come. We thank you very much for the opportunity to present it.

Mr. CARR. Thank you, Mr. Lindsey.

[The prepared statement of Mark Lindsey follows:]

TESTIMONY OF S. MARK LINDSEY
ACTING ADMINISTRATOR
FEDERAL RAILROAD ADMINISTRATION
BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION
HOUSE OF REPRESENTATIVES

MAY 5, 1993

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you today to discuss the Federal Railroad Administration's (FRA) funding for Amtrak, the Northeast Corridor, and President Clinton's new High-Speed Ground Transportation program.

The Clinton Administration's FY 1994 budget request for Amtrak of $633 million marks a signal departure from recent budget requests: this one reflects the view that Amtrak is an essential part of our national transportation system and is intended to support Amtrak's long-term goal of self-sufficiency. This request would provide Amtrak essentially the same amounts for capital and operations that it received in FY 1993. Capital grants remain stable at $165, while operating grants decrease from $477 million in FY 1993 to $468 million in FY 1994, reflecting an estimated $9 million decrease in Mandatory Passenger Rail Service Payments which are included in operating grants.

The program request for the Northeast Corridor is $204.1 million--no change from the FY 1993 enacted level--and will be used to continue electrification and upgrading of the line between Boston and New York City for higher speeds and lower trip times. This investment in the Nation's most heavily travelled rail passenger corridor is very important for optimizing its use.

As you know, Mr. Chairman, having participated in the press conference announcing it last week, President Clinton is proposing a bold, new program to make high-speed rail transportation a part of this Nation's intermodal transportation system in other markets as well as the Northeast Corridor. The program also looks ahead to make new technology available to meet future needs.

I know that many people will ask themselves why, at a time when the Administration and the Congress are making significant cuts across a broad range of Federal programs, should we create a new program that promises new Federal outlays over the next several years?

The answer to that question goes to the core of the purpose of the Department of Transportation. In establishing the Department in 1966, the Congress declared that the general welfare, the economic growth and the stability of the Nation require development of national transportation policies and programs conducive to the provision of fast, safe, efficient and convenient transportation.

What Congress recognized in 1966, and what is brought home to the Department every day, is that you cannot separate fast, safe, efficient and convenient intercity transportation from the health of our economy and the general welfare of our country. It is basic to the nature of our economic system that people travel between cities to transact business, to negotiate deals, to purchase goods, and to interact with others. It is clear that, as the economy grows, the demand for intercity travel will also grow. Conversely, the lack of a fast, safe, efficient and convenient intercity transportation capability will serve as a hindrance to economic growth.

That leaves us with the question of what the future will hold for our intercity transportation system. Will it support economic growth and America's international competitiveness in the next century or will it serve as a millstone around the economy's neck, resisting growth and relegating this country to second class status?

The history of intercity transportation in the United States is a history of change. Evolving priorities, technological innovation, and the Federal and State governments have periodically remade the face of the Nation's transportation system, and with it the very character of the Nation itself.

The Clinton Administration has recognized that a new era is beginning where new technologies and new priorities will once again remake the face of American transportation. A major part of the Administration's vision is that this renewal of the Nation's transportation system will include intercity high-speed rail transportation. Before getting into the specifics of our proposal, I wish to share with you our vision of high-speed rail--why it is part of our plan to rebuild America.

High-speed rail is not a cure for all of our transportation needs, but is a component to an intermodal approach to meeting those needs. High-speed rail is an extremely safe, fast and efficient means of moving large numbers of people between cities that are between 100 and 500 miles apart. In addition, high-speed rail can provide service to intermediate points and, in urban and suburban areas, its infrastructure can be shared with commuter rail type service. In selected intercity corridors, high-speed rail will provide an effective alternative means of transportation that provides superior access to the urban economic centers.

High-speed rail will have substantial public benefits as well, such as an improved environment and a reduced dependence on imported petroleum. High-speed rail will be fuel efficient and the electrified high-speed rail and maglev systems will be independent from petroleum fuels. With energy efficiency comes a reduction in the air pollutant emissions associated with the use of fossil fuels. In areas that have difficulty with air quality, such as southern California, high-speed rail may be able to sustain the travel densities needed for economic growth while attaining their air quality goals at reasonable cost.

Besides minimizing harmful emissions, the high-speed rail systems will be environmentally beneficial by using less land than alternatives, such as more highway construction, and by influencing future land development in positive ways.

Another important part of our vision of high-speed rail in the United States is that American industries will become major beneficiaries of the substantial opportunities for the design, development, manufacture and deployment of high-speed rail technologies both here and abroad. The first American industrial revolution was fueled by the construction of the railroads in the last century and development of high-speed rail can help fuel a new economic expansion. And, while many of the companies participating in the development of high-speed rail will be traditional railroad suppliers, there will be substantial opportunities for refocusing traditional defense industries into civilian pursuits.

High-speed rail will be a key transportation initiative of the intermodal era. Unlike the Interstate Highway System or the aviation system, which developed as independent transportation networks in competition with other forms of transportation, our vision of high-speed rail is of a component of an **integrated intercity transportation system** that includes aviation and high-speed rail in **complementary** roles. Each will serve where the particular technology is most efficient in meeting the Nation's priorities within a national transportation system in which intercity modes of transportation are efficiently connected to each other and to intracity systems.

When fully integrated into the total transportation system, the potential for high-speed rail is quite large. The cities being served by high-speed rail will benefit from the economic stimulus associated with increased intercity ridership. Over time, urban terminals for high-speed rail operations will attract commercial activities which seek to take advantage of the access afforded by high-speed rail. In addition, such high-speed rail operations can also be expected to lead to increases in tourism and other discretionary travel to the city centers.

An excellent example of what high-speed rail can mean to an older downtown section of a city is just a few blocks away at Washington's Union Station. That station anchors the south end of our only current high-speed rail system. The renovation of Union Station into a modern multimodal terminal has been the catalyst of privately financed urban redevelopment that radiates several blocks from the station in all directions.

High-speed rail may very well assist in the task of addressing congestion in certain parts of the air system. High-speed rail service can be competitive in terms of time and price with short haul air service. Moreover, when the time and cost of access to and from terminals are added, high-speed rail will be faster and cheaper for some categories of trips. In such circumstances, high-speed rail can assume a role as a regional and local feeder and distributor of airline passengers.

As part of our vision, high-speed rail systems would also be fully integrated with intercity bus and intracity rail, bus, and transit systems (which would feed the high-speed rail system). Intercity travel by common carrier would become relatively seamless from the traveler's perspective.

Diversions to high-speed rail from short haul air service in some corridors could free scarce airport capacity which could then be used by the airlines for the more profitable longer hauls. High-speed rail may also help address highway congestion by diverting a portion of highway trips. Surveys of passengers on Amtrak's existing service indicate that between 45 percent and 65 percent of intercity rail passengers would have used automobiles if the rail service had not been available.

The great potential for high-speed rail has been recognized for some time. The question has always been what can we do to realize that potential. I have shown you our vision, now I will briefly outline the Clinton Administration's plan to permit this Nation to realize the potential of high-speed rail.

The President's High-Speed Ground Transportation Initiative

It is clear from recent experience that high-speed rail will not develop in this country without some measure of investment of Federal financial resources. The Administration proposes a comprehensive program of Federal investment in high-speed rail.

The challenge for the Department and Congress is to develop a program that promotes development of high-speed rail in those corridors where it offers the most efficient transportation option. Such a program must focus on the technical and economic performance characteristics of the various alternative modes of transportation together with their costs and benefits to identify where and under what circumstances high-speed rail should be developed.

The program then must use the resources available for Federal assistance to encourage the States and local governments and the private sector to develop the technologies and build the systems necessary to make high-speed rail a reality. The challenge of making high-speed rail a reality in the U.S. will be met in the President's initiative through financial assistance, technology development and applied research in support of high-speed ground transportation.

Financial Assistance for High-Speed Rail Corridor Development:

The first element of the President's Initiative is Federal investment in the development of high-speed rail systems in specific intercity corridors.

For the first time, the Administration proposes to establish a separate program of Federal financial support to the States and local governments to assist the implementation of high-speed rail systems outside the Northeast Corridor. The new program will be a partnership among the Federal, State and local governments, and the private sector. The Northeast Corridor will not be eligible for assistance under this program--the Administration proposes to fund completion of the Northeast Corridor Improvement Project separately and help bring high-speed rail service throughout the corridor between Washington, D.C., and Boston.

The program will harness the energy, know-how and financial resources of the private sector to improve intercity transportation. In addition to encouraging the maximum private sector participation in financing projects, the Administration proposes elimination of the current limitations on the use of tax-free bonds to encourage private investment in high-speed rail.

The new financial assistance program that will aid development of high-speed rail outside the Northeast Corridor will leverage private investment and State and local matching funds. In addition, States and local governments will be encouraged to use those aspects of existing transportation programs that can be used to support high-speed rail development. By crafting a program that takes advantage of all these opportunities, the impact of the proposed Federal investment under the program of approximately $1 billion over the next five years will be dramatically expanded.

The key link in the program will be between the Department and the States and local governments. The Department will look to the States and localities to undertake the necessary planning and feasibility analysis. Based upon that analysis, a State or States may propose to implement high-speed rail service in a specific intercity corridor. The Department will work with designated public agencies to develop the plans and financing necessary to implement the proposed service. The commitment of State and local governments to a project will be a strong indication of the project's prospects for success.

In the short term, the initiative will primarily support ongoing efforts to achieve high-speed service through incremental improvements to existing infrastructure. The initiative will also lay the groundwork for implementation of very high-speed service on new infrastructure later this decade.

The budget request seeks $96 million for corridor implementation in FY 1994 as part of a five year total of $982 million. The budget request proposes that $25 million be made available in FY 1994 from general funds and that $71 million sought for FY 1994 be provided under section 1036 of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) from Highway Trust funds that will not now be used for maglev prototype development. Of course, this is but one option for providing the needed funds, and the Administration is receptive to other alternative funding arrangements Congress may wish to pursue.

Technology Development:

The second element of the President's initiative is the development and demonstration of new high-speed technologies to provide increased options for transportation decision makers, to improve the economics of high-speed ground transportation and to enhance the competitiveness of U.S. industry in the transportation marketplace. The Administration proposes investment of approximately $300 million in this area over the next five years.

The initiative will support development of technologies that will aid the implementation of high-speed rail service on existing rail infrastructure, thereby permitting us to take advantage of this valuable and under-utilized national resource. Development of a high-speed non-electric locomotive is a salient example of the work to be undertaken. The budget request includes $15 million for this work in FY 1994 as part of a proposal that would provide a total of $75 million over five years. For FY 1994, $5 million for this work is requested from the Highway Trust Fund under section 1036(c) and 1036(d)(1)(A) of ISTEA. The remaining $10 million is sought from general funds.

The other thrust of the technology development portion of the President's initiative is design of an advanced U.S. maglev system superior to the technologies being developed overseas. This element of the initiative looks ahead, anticipating the Nation's future needs for high-speed ground transportation and investing prudently to meet them. For this work, the budget request includes $29 million for FY 1994 as part of a proposal for a five year total of $228 million under sections 1036(a) and 1036(d)(1)(A) of ISTEA.

The prototype development program that the Administration proposes follows the outline of the program authorized in ISTEA, but proposes modifications to recognize the complexities involved in developing new technologies and the significant concerns expressed by some over the ultimate feasibility of this technology. Accordingly, The FY 1994 budget request would fund only three contractors for phase I of the maglev prototype development program rather than five contractors as called for in ISTEA. The budget request also reflects the Administration's view that phase I should be stretched out from 12 months to 18 months to lessen the technical risk of the program. Similarly, the Administration's proposal would drop the number of contractors funded for phase II of the maglev prototype development effort to a maximum of two and stretch out phase II from 18 months to 30 months, also to reduce technical risk. With fewer contractors in each phase, we hope to have stronger teams of competitors as well as a less costly program. The amounts to be devoted to each contract would remain the same as we infer were contemplated by the drafters of ISTEA. Extending the deadlines is intended to give contractors enough time to develop well-thought-out designs and, in phase II, to test at least some components so as to better assure that the final design will work as intended.

Over the last several years, the Department has developed a close and effective working relationship with the U.S. Army Corps of Engineers in the evaluation of maglev technology. We expect to continue this close relationship as we move forward with this program.

We propose to reevaluate the maglev prototype development program at the end of 1994. ISTEA provides for a commercial feasibility study to be completed in two years. We plan to complete that study by the end of 1994. The program will not proceed if the commercial feasibility study and the results to that date of the phase I maglev prototype design do not support continued investment.

Of course, to carry out this challenging program, we need people as well as funds. The budget request seeks 20 positions and 15 FTEs to carry out the High-Speed Ground Transportation Initiative in FY 1994. This modest level of staffing is absolutely needed to ensure proper management of this program, which a comparison with similar undertakings will demonstrate. FRA cannot support a major new program of this magnitude with current staffing.

Conclusion

Fast, safe, efficient and convenient intercity travel is essential to the health of our economy and the general welfare of our country. Growing transportation demand and the inability of existing transportation programs to meet this demand has led to the point where, once again, the Nation's transportation system must evolve beyond its present capabilities.

It is the mission of the Department of Transportation to promote improved intercity transportation through incorporating into the Nation's transportation system those evolutions in transportation that best meet the Nation's changing priorities. And this will now include high-speed rail.

AMTRAK BOARD LETTER ON REVENUE SHORTFALLS

Mr. Carr. Mr. Claytor, I think it would be appropriate that before we get off into bullet trains and magnetic levitation, we figure out a way to operate Amtrak tomorrow.

Now, you present us with a very sober problem here, and because it has been referenced both by myself and you, I would like to enter into the record at this time, unless there is objection, the letter that we have received from your board of directors indicating at least the short term financial dilemmas of Amtrak. I would like to share this letter with my colleagues on the committee.

Of course, the long-standing goal has been to try to get Amtrak to operate without subsidy by the year 2000.

[The letter follows:]

National Railroad Passenger Corporation, 60 Massachusetts Avenue, N E , Washington, D C 20002 Telephone (202) 906-3000

Amtrak

May 3, 1993

Honorable Frank R. Lautenberg Chairman Subcommittee on Transportation and Related Agencies Appropriations United States Senate Washington, DC 20510	Honorable Bob Carr Chairman Subcommittee on Transportation and Related Agencies Appropriations U.S. House of Representatives Washington, DC 20515

Dear Chairmen:

There is no question that the recession is still having an effect on the travel industry resulting in an adverse impact on Amtrak's revenues.

As members of Amtrak's Board of Directors, we feel obligated to inform the Congress that the current shortfall in revenues will need to be addressed. Amtrak has had to live within a recessionary economy and stunted revenues for almost three years. During that time, Amtrak has had to reduce frequencies and schedules, modify the overhaul of equipment, and furlough employees at our maintenance shops as well as those that provide critical services on board trains, in stations and our reservations offices. These cost cutting efforts by management have been effective in enabling Amtrak to survive a significant period of revenue shortfalls, but they are no longer sufficient to carry us forward at this time. Through the month of March, revenues are approximately $18 million below what was budgeted. Expenses are favorable but only by about $6 million. At this rate, Amtrak could have a total operating shortfall of $30-$60 million and will be in deep financial trouble by the end of the fiscal year. Furthermore, in the absence of additional capital funding, we will have no option but to further limit capital equipment overhauls within the next month, resulting in over 400 employee furloughs, including furloughs at shops in Beech Grove, Indiana, Wilmington, and Bear, Delaware.

As noted above, Amtrak has taken drastic action to reduce expenses with the unfortunate result that its service quality has inevitably been degraded. Further cost reductions will be counterproductive because they will significantly reduce revenues during the peak summer season. The Company needs to begin to restore revenue growth. Therefore, we ask Congress to support Amtrak's operating and capital needs so that it can meet its mandate to provide reliable rail passenger service.

Honorable Frank R. Lautenberg
Honorable Bob Carr
May 3, 1993
Page Two

We understand that Congress may consider a supplemental appropriations bill in the next few weeks, and we urge that Amtrak's needs be considered as part of that request. Thank you for your consideration.

Sincerely,

Haley R. Barbour
Chairman
Amtrak Finance Committee

Tommy G. Thompson

David F. Girard-diCarlo

Leon J. Lombardi

cc: Honorable Alfonse M. D'Amato

cc: Honorable Frank R. Wolf

SELF-SUFFICIENCY

Mr. CARR. Mr. Claytor, for fiscal year 1994, you are requesting $391 million in operating subsidies. It would seem that elimination of this amount by the year 2000 would mean an average annual reduction of about $65 million for each of the next six years; is that realistic?

Mr. CLAYTOR. I would like to comment on that.

First, we suggested the year 2000 as a goal about three years ago. And we made it very clear that the goal was unattainable unless we obtained very substantially increased capital, that would enable us to get a lot of new equipment, to maintain the existing equipment, and to refurbish our shops. That self-sufficiency would not be done without it.

Now, those capital improvements have not taken place, because the capital appropriations have not taken place, and it became very clear as much as a year or two ago, that the year 2000 was no longer a goal. We still have as an objective to reduce continually our need for operating assistance. One of the other conditions we put on this when we set this as a goal was that the economy would continue in a reasonably good status.

The economy in travel, particularly, collapsed, and there is no possibility of our achieving self-sufficiency unless and until we get the necessary capital and unless and until the economy improves.

So the goal is there, but the goal has not, for at least two years, been set at 2000 anymore. It is some time in the future after that. And, again, it still depends upon getting the capital that we need, which we have not had.

You may recall that back in 1981, we covered less than half of our operating expenses with our own earned revenue, and we have steadily improved that with double-digit increases in revenue for nearly 10 years, so that currently we are now covering nearly 80 percent of our total costs with our own revenues. But that cannot continue in a recession and without the necessary short-term help that we have been asking for. So the objective is still there, but the objective is pushed down the road and it is still conditioned on all the conditions we imposed at the start, which have not been met.

CAPITAL NEEDS

Mr. CARR. Let's review that history a bit. You said it was set three years ago. What was the capital request for each of the last three years and what were those shortfalls?

Mr. CLAYTOR. Well, we have submitted long-term capital programs as to what we would need, and we have done several of those over the years. They show very substantial, hundreds of millions of dollars of capital for various items.

We have set it all out at least twice and have done it several times.

Mr. Norman, would you like to comment on that, because you worked on it particularly?

Mr. NORMAN. Yes, Mr. Carr.

In trying to elaborate on the question that you asked, during the 1980s, our revenues grew at an annual rate at 12.7 percent per year, and our costs at only 4.5 percent. It was this kind of revenue trend that was driving our ability to be successful. So, as we approached the end of decade, we indicated that if we were able to get the capital—and we had a 25-year capital plan, which is probably the numbers that you are referring to—and if the economy were to continue to improve, and we did continue at the rate we had been with a straight line projection, we could reach self-sufficiency by the year 2000.

However, what we did subsequent to that, is develop a 15-year capital plan. Within that 15-year capital plan, we indicated the amount of capital that we would need for our shops, for our equipment, for improvements, and all the kinds of things that were necessary to help get to self-sufficiency. It has worked out to somewhere in the neighborhood of $1.2 billion a year that was needed. So that is essentially the number we had been using, based upon that particular plan.

Mr. CARR. About a $1.2 billion annual capital?

Mr. NORMAN. Yes, sir.

Mr. CARR. So where did we end up three years ago?

Let's start three years ago, in terms of a capital shortfall against the capital plan.

Mr. NORMAN. I don't have those specifics.

Do you happen to have them?

Mr. GILLESPIE. I think I remember last year's number, Mr. Chairman. And I am stretching my memory on this, but I think the authorized level was about $250 million. Last year, we got $165 million actually appropriated.

I think we provided the committee with a chart. One of the things we have been trying to achieve is to get at least the amount of capital that would equal the amount that our assets depreciated on an annual basis. And at the moment, we average from $150 to $200 million a year in depreciation. We provided the committee with a chart last year which showed the amount of money that has been appropriated for capital versus the asset depreciation in that given year.

The chart showed that over the last five-year period, just to stay where we were, we were behind by about a $.5 billion over that five-year period on depreciation.

Mr. CLAYTOR. Of course, Mr. Chairman——

Mr. CARR. Maybe you could update that chart for us and submit it for the record.

[The chart follows:]

MANAGEMENT HEADCOUNT REDUCTION INITIATIVE SUMMARY

	OFFERED	ACCEPTED
ATTRITION	–	38
VERP	260	125
VSP	143	97
RIF	–	5
TOTAL	403	265

INCREMENTAL APPROACH TO SELF-SUFFICIENCY

Mr. CARR. I don't talk about the year 2000 goal in any way to embarrass Amtrak. I think we are all cognizant of changing circumstances.

What I liked about it was that it was a goal. I mean, it set something out against which we can measure our performance, and that is something this committee wants to do, measure performance, we are into measuring things here. We want to know why the best laid plans didn't turn out so that we can reflect upon where we go from here. And we have to figure out how much we can allocate to rail, and to Amtrak, in particular, and then try to chart a plan for, hopefully, self-sufficiency at some future date.

I mean, we are moving that line out. We want to have goals. We are glad that you have goals. We want to try to figure out how we can work together to make those goals happen in the context of a total transportation budget.

Mr. CLAYTOR. Yes, sir.

Mr. CARR. I might editorialize, it would seem to me that would be a very important goal, and before, I might underscore the word "before," we talk about all these other grandiose problems. And Mr. Clayton has been an eloquent spokesperson for the philosophy that we ought to move toward high-speed rail on an incremental basis.

It would seem that the first increment is getting Amtrak to operating self-sufficiency. It would seem that the first step would be in getting the entire Northeast Corridor truly high speed, that would seem to me to be the first couple of steps we ought to take.

We had the Secretary here after you were here last, on May 15th, Mr. Claytor, and Secretary Pena endorsed that incremental approach.

Mr. CLAYTOR. Right.

Mr. CARR. This committee, I don't think, is going to have any problem with that incremental approach. We are trying to figure out here in this discussion what the increments are. Because I am pleased to say, I have joined as a cosponsor of the administration's initiative on high-speed rail, because when I read the document, I saw the incremental approach there.

It said that, among other things, we weren't going to buy high—speed rail that wasn't operationally self-sufficient. And it seems to me, we need to be making Amtrak and the Northeast Corridor operationally self-sufficient. And so we are trying to define the increments here, and I think it is important that we get a notion of how we define the next increment and then figure out how we fund that.

Mr. CLAYTOR. The high-speed improvements to the Northeast Corridor involve very substantial capital improvements. They are included in our overall capital improvement picture, and they would very substantially contribute toward self-sufficiency when we are able to do three-hour service from New York to Boston. By getting trains equivalent to the X–2000 operating on the corridor we will significantly increase our revenues; increase our ability to move toward self-sufficiency. But the other capital that we have to have, after all we have a nationwide system, has got to be produced, if we are going to be able to do this. That is why we presented the 15-year capital program some years ago at the time we set this objective.

I must say that the objective of eliminating operating subsidies was Amtrak's own idea. Nobody forced us into it or asked us to do it. We felt that was the right way to go, but we wanted to make it terribly clear that we could get there only with these very substantial capital investments.

Now, at the present time, we are using Amtrak financing for significant amounts of new equipment. We can do that only just so far, and if we were unable to pay our bills in any given year, our credit will eliminate the possibility of doing any more financing. And this is why it is terribly important that we straighten out our budget problems this year.

SETTING A SELF-SUFFICIENCY GOAL

Mr. Carr. For the record, again, we would like to have some charts showing the movement of these numbers and how they affected the goal, and where does that push the goal to next, because I want us to focus on a goal, because we have talked about this. The staff tells me, in fiscal year 1991, your request for capital was a $188 million and we were only able to appropriate $132 million. The fiscal year 1992 request was $242 million and we were only able to appropriate $175 million. And in fiscal year 1993, your request was $300 million and we were able to appropriate $165 million. It would appear that in the last three years, your total requests were about $830 million, and that is against an actual appropriation of $472 million. So in just three years, you have a shortfall——

Mr. Claytor. Well, Mr. Chairman, we never requested the amount we needed to meet our goal, because that wasn't authorized, and we can't request an appropriation that is not authorized. We have requested within our authorization each year, and in order to meet the goal, we have got to have an authorization that includes this figure of approximately $1.2 billion a year. That is the problem.

We did not request it, because you can't request something that is not authorized.

Mr. Carr. People do it all the time, though. It happens quite frequently.

Mr. Claytor. We try to work with both committees. And so we did not request the figures that we furnished the committees. However, our 15-year capital program would be required if we were going to reach self-sufficiency. We have not requested these figures because we were limited by what we could possibly get.

We have attempted to make clear that if we were going to meet the goal, we had to get these very large figures. We had to file a normal request for it, and there was no chance of getting it in that particular year.

Mr. Carr. Given where we are at and what has happened in the last three years, have you revised the goal?

Again, you know, you never know when you are going to have a hurricane or a bad economy, but what is the new goal?

Mr. Claytor. We haven't picked a date. We said it is going to be postponed significantly and indefinitely, if we don't get the conditions that we initially stated.

When the conditions were initially stated, we had hoped that there would be some sort of funding for us, a funding system that would guarantee us the amount we needed. Such as one penny of the gas tax that would get us about $1.2 billion a year. But without that, we were not going to make it. So when we saw we were not going to make it, we stopped talking about the year 2000.

We still have this as a long-term goal, but we have no date for it because there is no use picking a date until we see capital appropriations of the type we need to achieve the goal.

Mr. Carr. Well, I would ask that you do the best you can and give us a date. I mean, that gives us all something to shoot at.

Mr. Claytor. Yes, sir.

Mr. Carr. It is not a matter of——

Mr. Claytor. We can pick a date, and we tie the date to the annual appropriation. And we can say with an appropriation of so much, we can make it by this date. We can do that.

Mr. Carr. I think that would be helpful. I think it would also be helpful to the authorizing committee, too, to know what our goals are, what our time frames are.

Mr. Claytor. Agreed.

Mr. Carr. I think FRA ought to do the same exercise and see just what kind of differences they come up with. We can't put it all on Amtrak. If the government is committed to rail passenger service in this country, let us put our money where our mouth is, and see what commitment needs to be made to get to self-sufficiency. It seems to me, you can't start thinking about self-sufficient high-speed rail systems until you get a regular one operating self-sufficiently.

Mr. Lindsey. We have been thinking of that.

Mr. Carr. I will ask FRA and Amtrak to do the same exercise. We also need to know when we do that, two things. The staff will work with you on a list of questions to refine this, because these are questions that will come up every year as we go through this exercise. We would like to know, of course, what the assumptions are going to be.

Mr. Claytor. Yes.

Mr. Carr. In terms of economic performance. We had a briefing about how airlines price their seats, and I think it had not occurred to us how vulnerable the price situation is to the overall economic condition. And that is, no doubt, the same with passenger rail. So heavily imbedded in any of these projections is the unknown factor of what the economy is going to do.

So we would like you to help us with risk analysis. I have used this analogy because it was the thing that probably persuaded me about risk analysis and why we need to begin doing it.

One of the consultants we have been working with in the last three months, pointed out that when the old weather forecaster used to come out and say, "well, it's going to be rainy today," or "it is going to be sunny today," pretty soon weather forecasters just weren't believed because they were predicting a certainty that wasn't going to happen. But now they say, "well, you have about a

40 percent chance of rain" or "20 percent chance of sunshine," or something like that. It becomes more believable, and therefore you listen to what they have to say. We have to start doing that as a government, too.

I would think that Amtrak would be interested in this risk analysis, so when you give us a date, rather than say we will be self-sufficient by year 2050, or whatever it happens to be, what we would like you to come back to us and say is, "we pick this date because we think it is about an 80 percent chance that we are going to hit this date. There is a 20 percent chance it is going to fall on either side of that date. Or give us a date of 2005, but say it is only a 40 percent chance we are going to make that. I think that is the kind of risk analysis this committee is interested in getting.

Mr. CLAYTOR. Well, Mr. Chairman, we would do a little bit better, in that we can put in conditions that have to be met or we can't do it by that date or any other date. The conditions are going to have to be met in order for us to do that.

Now, if the conditions are met, I think we can give a fairly high percentage probability that we can make a date. But I cannot and I am not in a position to make a percentage guess on whether the conditions will be met or not. That is beyond our capability.

Mr. NORMAN. Mr. Carr, I might add, also, that sometimes in trying to explain, we get overly simplistic and we apologize for that. But in terms of all our forecasting, the way we approach our goals, we have been using risk analysis ever since I have been at Amtrak. We make a determination based on what the relative probability is of this number versus another number, and that is how we do our essential budgeting. Also, we put into that another factor, and that is what the conditions may be, both in terms of the environment, and also in terms of what additional funding will be made available to Amtrak. And then that is a constantly evolving system, depending on whether this variable was met, et cetera. So we do that, and we will be delighted to make that available to you.

Mr. CARR. I think that would be very helpful to the committee, because the committee doesn't want to be disappointed year after year after year. The taxpayers don't want to be disappointed year after year. And this is a question we have been asking the FAA, with regard to all of their facilities and equipment programs. They give us a certain date and it never happens. And that gives rise to GAO reports, newspaper stories, angry Members of Congress and loss of credibility. And I think we ought to be enhancing credibility and building confidence, rather than engaging in self-defeating behavior.

So if you would make that available to us, those risk analyses, we would appreciate it.

Before going on to another section, I would like to recognize some of my colleagues.

The gentleman from Virginia, Mr. Wolf.

PREDICTING EFFECTS OF THE RECESSION

Mr. WOLF. Thank you, Mr. Chairman.

Mr. Claytor, welcome.

I just read your testimony. And listening to your answers to the Chairman, let me just say for the record, that I think you and your team have done a good job.

I think there is going to have to be a greater realization that part of the reason you are not doing as well, is because the airlines are not doing well.

And I am a classic case. I have a daughter who works in New York City. She generally comes home and takes the train. The other day she was coming home, the airline rate she got, you can't even match it.

I think the committee has to understand that part of the problem is competition and the market, in addition to factors that you really can't even control. You can't control Continental going into Chapter 11, and you can't control what shuttle airlines are doing. And you can't control some loss-leader type things that are taking place.

So I am sympathetic to what the Chairman is saying and, I think, what you are trying to say is you can't control that. I don't think you are going to be able to. And I think you come across as very gloomy in your testimony.

I personally feel, I don't want to get partisan here on this thing, but I feel with the additional burden of taxes to be placed on business next year, this economy is going to come roaring back the way people thought. You can have all the "economic stimulus" you want, but the effects only last for six months, nine months, and twelve months. And I think we may be coming into a difficult economic time, not a recession, in the sense of the classic definition, but this next year, I don't believe is going to be a very good year.

So I am very sympathetic to you in the sense that the situation is akin to a grocery store doing well, and then, Wal-Mart moves into town, and they sell not only groceries, but also windows, clothing and other things. I wonder if you have any comment about that, but I think a lot of this is almost out of your hands.

Mr. NORMAN. Yes, sir, Mr. Wolf. I would like to explain, we agree wholeheartedly. In fact, in terms of the risk analysis Mr. Carr was talking about, that is very much dependent upon a large number of factors. We have regression analyses within our models of trying to take all these factors into consideration. What happens in terms of GNP, what happens to the overall economy, what the competitors are doing, are all big factors, we find, that for our business, in particular, that one of the most important factors that we track that has an impact on us is what is happening to disposable income. That is one of the factors that makes a big difference in the overall economy.

But a bigger factor, and one that goes into the modeling we use, has to do with the consumer confidence. Consumer confidence, particularly for our long-distance trains and for our discretionary travel, is very much dependent on what is going on in the economy. We have a situation today in which the overall employment picture has had a great impact from the point of view that it is no longer just the people who are blue collar workers but also there are our relatives, friends, neighbors and people around us. It becomes a great impairment for someone to make a decision, whether they should buy a washing machine.

Another factor is what is happening to our competitors. Pricing is a very important aspect of our overall marketing mix. We try to price our services in such a way to be as competitive as possible, but we reach certain kinds of situations, particularly, as you indicated, with some loss-leaders, and others, in which a competitor may make a decision to offer something that has no reality whatsoever to their costs. We can't afford to do that. We lose a significant quantity of our riders. And perhaps worth noting is the airfare war that took place last summer. Rates were so low, we saw our revenues and patronage plummet by almost 12 percent. And to try to match that would have driven us deeper within the hole.

We would agree with you wholeheartedly, that this determines the kind of risk analysis we are making. We model and put it all into consideration the environment of which we are a part; all very important. And we do the best we can within that situation, but we have to keep adjusting based upon the realities of the marketplace in which we have to operate.

INCREMENTAL APPROACH TO HIGH-SPEED RAIL

Mr. Wolf. I think that is accurate and I think you should be careful when you answer the Chairman's question about picking your next date because if you condition it with so many conditions, then it is not going to mean anything. But, yet, if you don't have something in there to give you a little cushion, you are going to have a problem.

Another question: I think we need a passenger rail system and clearly Amtrak is the system in the country. But regarding high speed rail, could the administration be trying to do too much? Shouldn't we make sure the washing machine and the dryer and refrigerator run before we go out and buy an exotic light that we don't really need? I mean, are we at the point now that you are so secure that what you are doing is fine that we could move on?

Why don't we concentrate our efforts on the Northeast Corridor, because this is all the money we have.

I saw a statement in the paper the other day by Congressman Tony Hall, who I admire tremendously, that we have to focus in the Congress instead of throwing money here and there. And hunger, of course, is the basic fundamental need. There are more people dying in southern Sudan today than the world knows. Everyone should be fed. And so we should focus on that basic premise.

Maybe we can apply the same theory in the railroad business. Should we be branching out and doing all the things we would like to do, or should we just get the system running really well with satisfied passengers and then branch out into other things?

Mr. Claytor. Mr. Wolf, you have described basically our approach. We believe that we need to move step by step into high-speed rail in certain corridors, with the Northeast Corridor the first and the example, and from there to other high speed corridors. We are not participating financially or otherwise in any ultra high speed operation.

That means the Japanese bullet train that has to build a whole new railroad. Or it means the maglev. We are happy if the government wants to do that on its own, and if they have any that are running, we have made it clear that we would be happy to be a contractual operator for either a maglev system or a TGV or bullet train system.

Our approach is to work on the high-speed service which is under 150 miles an hour on existing railroad tracks and let's get going with that as fast as we can.

I think if, as a matter of policy, the Federal Government wants to do the ultra high speed also, all right. But don't take money away from us to do that. Because we think we are the ones that can move fast and most effectively on an incremental approach as you have mentioned.

Mr. WOLF. I do think it might be taken from your budget. We just can't do everything. I mean, I would like to see maglev and high speed and TGV too. They are exciting opportunities.

Last night I got home and I picked up the paper and read about the supporters in my locality of rapid rail, now, all the way out to Dulles Airport. They haven't spoken to me and they are going to work with Congress and I wish them well. I don't suppose I am going to be one of their supporters. Certainly not this year.

I believe we are doing too much, too fast, and you have to go back to your ABCs, even though we see many exciting proposals.

I think you have to be open to new things, but, Mr. Claytor, these efforts are going to reduce Amtrak resources. There isn't any other way. We have a deficit of $300 billion. If you did everything the President said, raise every tax, including the Btu tax, in 1997, we get the deficit down about $50 billion and then it begins to go back up.

So, and you are our leader and you are the plan that we look to. I am not making a joke of that. You have forgotten more about railroads than most people will ever know if they begin today. Somebody has got to speak out and maybe you don't want to do it today, but I don't know that we can do everything. I don't think we can do everything in northern Virginia that everyone wants to do.

Somebody needs to set priorities and as Congressman Hall said, God bless him, we can't do everything for everybody and we have to go back to the basics. And the fundamental basics in the world are feeding people whether they are in southern Sudan or south Philly. And one of the fundamental basics for transportation are to provide good rail transportation in the fundamental corridors.

NEW STATE-SUPPORTED 403 (B) SERVICES

Mr. WOLF. The last question and I have so many here, but I just saw on page 12 of your testimony, that the conference report that accompanied the Amtrak authorization act included language that required Amtrak to initiate new 403(b) service between Mobile, Alabama, and New Orleans, Louisiana, within 12 months of the date of enactment. You continue that while Amtrak will always make every effort to comply with congressional intent, you are not in a position to meet this requirement unless funding is made available under the 403(b) authorization.

Mr. CLAYTOR. Yes.

Mr. WOLF. Do you think it is a good idea to have that service?

Mr. CLAYTOR. It is the 403(b) service. Under the statute the State chooses that. But under the new authorization, it will probably result in initial losses to Amtrak. Most new services have initial losses when they start and the new authorization last year provides that the State may come to Congress and get help to handle a new 403(b) case.

What we are saying here is if you are going to put that service on, it is going to cost us money. We will not be able to do it unless you use the new authorization and get money for this 403(b) train under that authorization.

Mr. GILLESPIE. Mr. Wolf, we have been talking to those States about this. It is a better utilization of our equipment so we think it makes some sense but, as Mr. Claytor says, it will have some initial losses. Our problem with 403(b) in the past is when a State comes to Amtrak to start a new service, we only can contribute what is left in our operating budget and what we are saying this year is there is not anything in the operating budget to start this unless this particular section were funded.

Mr. WOLF. Well, if you are having problems in some of the fundamental service areas, going to a new area just doesn't make any sense.

Mr. CLAYTOR. Well, there is a provision for extra money, not part of Amtrak's money, extra money to the State to do that. We are saying if you want to do it, you have got to get that extra money.

Mr. WOLF. I don't know that I would vote for that money to be honest with you. Let's say it doesn't come. What do we do? Is this a violation of the law? I don't know.

I wonder if we can afford it. You are just saying you are not going to have that service unless this committee funds it.

Mr. CLAYTOR. That is correct.

Mr. WOLF. The staff indicates it is only report language, and some in the executive branch pay no attention to report language.

Mr. CLAYTOR. I try to pay attention but sometimes I can't always do it.

BENEFITS OF COMMUTER RIDERSHIP

Mr. WOLF. You say in your testimony that intercity ridership is going very well and that it is a very profitable area.

Could you elaborate a little bit on that?

Mr. CLAYTOR. Well, our Northeast Corridor ridership is going well. It is business travel and business travel has not been as adversely affected as discretionary long-distance travel. If you got to go somewhere on business, you go anyway.

Mr. WOLF. How does that compare to your commuter service that you are operating?

Mr. CLAYTOR. Commuter service is not for our own account, you understand. The commuter service that we operate is operated by the States or the local commuter agency. We run it for them under contract and we are paid all of our costs plus a profit. So that whether the commuter is making money or not is not of any direct concern to us.

Mr. Wolf. What is the ridership in commuter service versus intercity service?

Mr. Claytor. Actually this year the total number of riders in total service is probably going to be a little more than our total intercity service. You must understand that ridership is not the proper test. The test is passenger miles. The passenger miles would be quite low compared to others.

A commuter who goes back and forth from Manassas to Washington will ride ten times a week, a round trip each day for five days. That is an awful lot of riders but it doesn't amount to very much in the way of passenger miles. So if you count ridership probably this year with all the commuters that we are operating under contract, there will be more commuters on the train than there will be intercity riders.

I think it is 22 million intercity riders and maybe 25 million commuters. That is kind of a false comparison because of the difference between the two rides.

Mr. Wolf. What does that do to your balance?

Mr. Claytor. Doesn't make any difference. You see we don't lose any money on commuters, we make money.

Mr. Wolf. That was the point I was trying to get. The more commuters that you——

Mr. Claytor. Not necessarily; the number of contracts. How many people we carry makes no difference to us; we don't collect the money from the fares. The local commuter agency does that.

Mr. Wolf. Is commuter service helpful to Amtrak or not? That is what I am trying to get some sense of. What does it mean to your revenue picture?

Mr. Claytor. We would have to look. Each one is a little different. We have a contract that calls for us to be reimbursed for all of our expenses and a profit, generally of the order of 12 percent or something.

Mr. Wolf. So it has been helpful.

Mr. Claytor. Yes, it is. This is a very important additional thing. It is helpful in the same way that carrying mail is helpful. It is not the passengers, but it is carrying mail. That is helpful. Running special trains for people is helpful. We get paid for that.

Mr. Norman. We estimate that carrying the commuters has resulted in a reduction of about $18 million in our Federal subsidy requirement.

TUNNEL EXPANSION AT UNION STATION

Mr. Wolf. Okay. That was what I was going for. VRE officials have raised with my office, the concept of enlarging the tunnel under the Capitol, in order to accommodate double-decker train service to Union Station. Do you have any comments about that?

Mr. Claytor. Yes, it would be a very good thing to do, but we have no money to do it. If somebody else wants to pay, we would be delighted to lower that tunnel, because it would help us. But it is obvious that we haven't got any capital for it.

Mr. Wolf. What would the cost of that be?

Mr. SULLIVAN. We have studied it and is possible to undercut the tracks through the tunnel and you will have to raise the catenary row, the "Y" stem north of the tunnel.

We haven't pinned down the cost, but we are working with an engineering consultant firm to get those numbers for Northern Virginia. And we will be discussing with VRE the capital requirements to do that.

It serves their best interests and it would allow us to get Superliner cars, for instance, from the west into Washington. So it is a common goal to increase the clearances through the tunnel, and we are working very closely with them on that.

Mr. WOLF. It would be helpful.

Mr. SULLIVAN. Yes, sir.

Mr. WOLF. Not only for VRE, but also for business for Amtrak?

Mr. SULLIVAN. Yes, sir.

I appreciate your leadership. I think you have a tough problem. I don't think it is going to get better very soon. And I think when you come up with the projections that the Chairman is asking you for, you really ought to make it clear. So I think the more candid you can be the better, so that it is a target that you feel comfortable with. And I think you also factor in and make it clear that some of this depends on airlines and on so many other things.

Again, I just yield back my time. And thank you very much.

Thank you, Mr. Chairman.

Mr. CLAYTOR. I would like to see the airlines profitable again. If they are, they are going to have to charge fares that will at least cover their costs, and that will take one of the problems away from us.

When you have an airline that is charging less than its costs, it may be going busted, but in the meantime, it is not helping our business any, either.

VIRGINIA COMMUTER SERVICE

Mr. WOLF. At last year's hearing, I discussed with you the outlook for possible extensions of northern Virginia's VRE commuter service to points west and south of Gainesville. You indicated that before taking a hard look at future extensions, the VRE needed to get about a year of operational experience under its belt. Does it make sense to look at this now, or do you need more time?

[The information follows:]

We believe that Virginia's VRE commuter service could be expanded, provided it is economically feasible to do so. Amtrak, as the contract operator of the commuter, is prepared to work with VRE on service expansion. Access to additional rail lines or the right to operate additional frequencies is between VRE and the freight railroads. If we are approached by VRE, we will certainly work with them to facilitate expanded operations.

ADVANCED RAILROAD ELECTRONICS SYSTEM

Mr. WOLF. You are teamed up with Rockwell International Corporation, and Burlington Northern Railroad on a project called ARES, Advanced Railroad Electronics System, which is being tested on a 230-mile section of track in Mesabi Iron Range in Minnesota. It is my understanding that not only is this system yielding better service through computerized dispatching and spacing of trains, but safety is greatly enhanced through on-board computer screens which warn operators of approaching dangers. In fact, ARES includes remote intervention which automatically applies a full-service brake if the crew is disabled or violates movement authority.

Can you give the committee a status report on this project and an indication of when such a system might be ready for nationwide application?

[The information follows:]

ARES is a version of an Advanced Train Control System (ATCS) which has been successfully tested on a freight line of the Burlington Northern in northern Minnesota. Initial tests of ARES were reported by Burlington Northern to have been quite satisfactory. The Association of American Railroads (AAR) is presently researching and evaluating various ATCS alternatives. The concept is very complex and will require extensive research and development programs. At this time, I cannot estimate when ATCS will be fully developed and ready for general application.

Mr. CARR. Mr. Price?

NORTH CAROLINA APPLICATION FOR IMPROVING RAIL

Mr. PRICE. Thank you, Mr. Chairman.

I would like to welcome our FRA friends back and our Amtrak witnesses as well.

I have a couple of questions dealing with North Carolina matters so I would like to plunge into those immediately.

The first has to do with a recently rejected application by the State for high-speed rail development. I want to ask you about the situation whereby the Federal Highway Administration has refused to allow surface transportation funds to be used by the State of North Carolina for improving train service.

In one of the five nationally designated high-speed rail corridors, the Federal Highway Administration says that lengthening control circuits to rail high-grade crossings would be eligible for funding, but that the realignment of rail turnouts, the increase of rail curve superelevations, the adding of block signals to rail lines, all of that would be ineligible. So, therefore, this State initiative to improve this intercity rail service has not been funded.

I wonder if you are aware of that situation and whether you agree with the Federal Highway Administration's decision in this case.

Mr. LINDSEY. Yes, Mr. Price, we are aware of the situation. And while I have not been over the details of their decisions as to eligibility, my understanding is that the general cut they made is, in general, accurate. The improvements that FHWA found to be ineligible under their programs would be eligible under the high-speed rail initiative the Administration is proposing.

They are the very kinds of things that would form the heart of a corridor improvement under the corridor development portion of the initiative.

Mr. PRICE. Well, that is true, but as I understand it, Secretary Peña has held out the prospect of this more flexible surface transportation funding as a significant way of addressing these corridor needs. Let me just read the lead sentence in the "Journal of Commerce" coverage of this episode, and see if you agree with the implication.

This is March 11th, 1993, quote: "A rebuffed funding application from the State of North Carolina to improve train service? A congested high-profile corridor is spotlighting the lack of Federal dollars to back the Clinton administration's pledge to boost intercity passenger rail projects."

The issue surfaced after the States bid for $9.6 million from the Federal Highway Administration was derailed because the DOT unit found the application didn't meet its funding criteria. So what about that promise of resources from diverse sources to fund this kind of rail development; what about that promise of flexibility?

Aren't we really denying the kind of support that this corridor development is going to require?

Mr. LINDSEY. I don't think so, Mr. Price. We are trying to put it together in such a way that this program would cover all of the elements that are ineligible under any other. In such a manner so things, such as grade crossing improvements that are eligible under ISTEA, would be funded under ISTEA, and all those matters that aren't eligible under the Federal Highway programs or other Federal programs, would be funded under the Administration's high-speed rail initiative.

We would hope through that means to cover all of the needed capital improvements, save rolling stock which is not included in the program. But physical improvements to the right-of-way would be, we believe one way or another, entirely covered.

Mr. PRICE. So you are saying that you agree with the Federal Highway Administration's decision on this?

Mr. LINDSEY. Generally—and again, I have not been through element by element to see whether we would come to a different conclusion on a particular element—on the general matter that there are some elements that are ineligible under the FHWA program, yes, sir.

Mr. PRICE. I think that closer review on your part would be warranted, since we are dealing here with some specific proposals, proposals that do have an impact on our ability to make good on this rail corridor designation. And also since we appear to have some statements, public statements from the Secretary as to the flexibility of this funding, and the availability of this funding for some of these rail projects. So it seems to me that closer review would be warranted.

If you have anything you want to add for the hearing record, we would appreciate it.

Mr. LINDSEY. We will be delighted to do it, Mr. Price.

NORTH CAROLINA 403(B) SERVICE

Mr. PRICE. When it comes to the practicabilities of designing intermodal systems between these major cities and our State, and others, we need to know what the rules are and also need to have some assurance of needed flexibility.

Let me turn to our 403(b) train, which we are eagerly awaiting getting underway. We have had very positive results, as I understand it, with the Carolinian train, the 403(b) train running from

Charlotte to Raleigh. And as you know, we have anticipated the Piedmont service from Raleigh to Charlotte as promising to really promote ridership and the use of this service.

There have been some delays on that, and I would just like to have an update. My understanding is you haven't sent yet a contract to North Carolina for this new 403(b) service. I wonder why that is so, and when do you expect it to be sent?

Mr. SULLIVAN. Yes, sir, Mr. Price.

As you know we have been working, which seems like a long time now, with the State of North Carolina to initiate this service. We will be sending a draft contract to the State the end of this week, but there are some blanks that are going to be in that contract, things like the mechanical servicing of the equipment. The State is looking at different options for how to do that work most cost-effectively.

So they have not made a decision yet on how that work is going to be performed. We also have issues of servicing of the trains, the "wyes", how the trains are going to be turned at both Charlotte and Raleigh, and the mechanical servicing of the trains at Raleigh requires a servicing track with a pit on it, so the inspection of the locomotives and cars can be done to insure the safety of the operation of those trains. And those physical improvements are under design but not under construction yet. So while we are working closely with the State and we still hope to initiate service in the near future, probably in my estimation, it would be this fall.

We will be sending them a draft contract this week and hope that these elements that are not yet worked out between us and the State can be worked out in the next few months.

Mr. PRICE. Does the sending of that draft contract start the 90-day clock for the training of employees?

Mr. SULLIVAN. No. We have to have approval of the funding so we can go forward with the 90 count. We have to have a contract signed.

Mr. PRICE. Have to have it finalized before that is triggered.

Mr. GILLESPIE. Mr. Price, we also need a start date, and until some of the things Mr. Sullivan says are identified, and when we know they can be complete, because we can't do these inspections until we know the date that this construction work is going to be complete, that is when we can set the start dates. And once we can identify the start date, that is when we can figure out when the 90-day clock can start.

Mr. PRICE. But your estimate right now would be that a fall date for initiating this service is realistic.

Mr. SULLIVAN. September–October time frame would be the earliest, at this point in time, that I would estimate we could start-up the service.

Mr. PRICE. I hope it would also be the latest.

Mr. SULLIVAN. It depends on the work and the approval of the contract and the securement of the contractors to do the work, and the construction work itself.

Mr. GILLESPIE. I might say, Mr. Price, that I don't think we have come across a State that is more enthusiastic about rail passenger service than your State. And it has been a little frustrating for both of us, because it is kind of like hitting a moving target. As we were progressing this 403(b) agreement with the State, a lot of things have changed, and they still continue to change.

To deal with this "wye" track, we heard as recently as April 28th, from the State, that in lieu of the "wye" track, they would like to get started by having a push-pull type of equipment and that is a new wrinkle that we haven't really focused on. We had problems with the food service. We didn't have the proper equipment to provide a food service car. We are going to make adjustments to the coach car and, as you know, they have gone out and purchased equipment, and I understand from our people that it is very good equipment.

Mr. PRICE. It is excellent equipment. There is a lot of enthusiasm for this service. And as I say, the Carolinian service has been well-subscribed, and so we are eager to move forward.

Mr. GILLESPIE. We are, too, sir.

Mr. PRICE. I appreciate your continuing cooperation on that.

Mr. GILLESPIE. Thank you, sir.

FARE RESTRICTIONS

Mr. PRICE. Mr. Claytor, I would like to give you a chance to respond to an article that appeared in the Wall Street Journal about a month ago, about your advertising and about the supposed practice by Amtrak of not fully lifting all the restrictions on its fare. You talk about complexity of airline fares and the discounts, the loss-leader pricing, and so forth, as putting you at a competitive disadvantage. But apparently there are some complexities in Amtrak fares as well. So I wondered what your response was to that criticism?

Mr. CLAYTOR. Mr. Norman, would you like to handle that?

Mr. NORMAN. Yes, sir, Mr. Price.

There are some fares that have restrictions placed upon them which can range anywhere from what day of the week they can be used, to how many days in advance they must be purchased, to refundability. We ensure that in our advertisements that they put a sign in there that some restrictions may apply.

We have now been making a point to put this language in larger type. We don't see that as a major problem. We want to make certain that those restrictions are clear to anyone who may read them.

Mr. PRICE. Well, in the case of restrictions that people are really quite likely to bump up against, for example, the restriction that these reduced fares between Washington and New York wouldn't be valid on Friday afternoons. Wouldn't you think that should be specifically noted?

Mr. NORMAN. Yes, sir, but let me explain something about how we set fares. In order to make certain that there is an opportunity for the lowest fare possible, and we have a range of fares under your yield-management system that we can use, the idea is to try to get the greatest quantity of revenue from a train that we can. And even though the Federal yield management is used, a more proper term is revenue management. And if we look at where the demand factors are and if the demand is going to be very high at a particular period, obviously, we don't want to have a situation in which we are giving our lowest fares during that particular moment. And if we find that Friday afternoon is an example, or Friday evening is a time of high patronage, then we will have fewer of those low discount fares available.

Mr. PRICE. I understand very well the reason for pricing it that way. That is not my point. My point is shouldn't there be some better information available up front to consumers, so we don't have a lot of frustration and disappointment in actually finding out what is available to them. I am not questioning the wisdom of, say, that Friday afternoon exception.

Mr. NORMAN. I understand your question now, sir. The issue is that we operate with so many variables. We have 20,000 city pairs around the county, so when we have a fare with varying restrictions, we put "restrictions may apply". When they call for the reservations or go to a travel agent, then they can find out specifically what it is for a particular route. But because of the great variability, it would be impossible for us to put every restriction or any other carrier on a particular advertisement.

Mr. PRICE. Well, one does wonder why these fares have to be so complicated. I understand it can't just be a blanket discounts, perhaps, but there do seem to be some problems here, particularly when people are repeatedly discovering that the advertised fares don't apply on these peak travel times.

The airlines have managed apparently to acquire more detailed information after some initial criticism of their own advertising practices. It may be very fine print, but at least the fine print is there.

Mr. NORMAN. Mr. Price, I would be delighted to discuss this in detail, but I would suggest that the same approach that airlines or other carriers use in this regard is similar to the ones that we use, also. And in our particular case, in fact, we have fewer restrictions than the airline carriers have, but we do have restrictions on some of our discounted fares.

Mr. PRICE. Well, Mr. Richard Kessell, the Director of the New York State Consumer Protection Board, claims in this Wall Street Journal piece, that Amtrak advertising is less specific. He says: I have never been a big fan of airlines ads because you need a microscope to read them, but at least the restrictions are there. Are you suggesting that is inaccurate?

Mr. NORMAN. I am suggesting that in terms of what the industry uses, that ours is consistent with the others. That is the only point that I was attempting to make.

Mr. PRICE. Mr. Chairman, I have additional questions that our colleague Congresswomen Nita Lowey has asked me to submit. I think I will do that for the record. It has to do with reliability in travel time on the New York and Boston route.

So with your permission we will place that in the record.

Mr. CARR. Without objection.

NEW ROCHELLE STATION

Mr. PRICE. I understand, from the Congresswoman from New York who is a Member of this committee, that Amtrak is considering ways to improve reliability and travel time on its New York to

Boston route. For the record, could you comment on plans with respect to building a fly over and/or a new train station in the City of New Rochelle, New York.

[The information follows:]

A serious bottleneck currently exists at the Shell Interlocking in New Rochelle, where two Amtrak tracks from Penn Station converge with four Metro-North tracks from Grand Central Terminal. (The outer two Metro-North tracks are used for local stops and the inner two are for express trains.) Amtrak trains are restricted to 15 m.p.h. at the interlocking and often must wait for a slot to open before moving onto and crossing the local Metro-North tracks. This track layout makes westbound service to the existing New Rochelle very difficult, because an Amtrak train serving the station must then cross all of the metro North tracks in order to access Amtrak's rail line to Penn Station. Delays to both Amtrak and Metro North passengers are common and future attainment of a reliable, three-hour schedule for Amtrak's New York-Boston Metroliner Service trains will be impossible if the bottleneck is not resolved.

After years of discussions between Amtrak, the Federal Railroad Administration and Metro North, an agreement in principle has been reached with Metro-North to build a "fly-over" that would permit Amtrak trains to cross above the local Metro-North track and then converge with Metro-North express tracks. This will require elevation of Amtrak's rail line and a widening of the Metro-North right-of-way. Under an agreement with Metro-North, the commuter railroad will move forward with design of the project. Construction would not begin, however, until 1995.

In addition, Amtrak intends to construct a separate "Westchester Station" on Amtrak property about a mile west of the existing New Rochelle station along Amtrak's rail line to Penn Station. The single reason driving our interest in a separate station is to provide residents of New Rochelle and Westchester County the maximum and most reliable Amtrak service possible. This is our only stop in Westchester County with significant potential ridership and revenues for Amtrak, particular as travel time between New York and Boston are reduced in the coming years.

Amtrak has two primary concerns with continued use of the existing New Rochelle station. First, because of the extremely heavy train congestion in the New Rochelle area, particularly at rush hour, the number of intercity Amtrak trains that can stop at New Rochelle without delays is strictly limited. We currently stop only 14 trains at New Rochelle, mostly at non-rush hour when there is less traffic on Metro North's other three tracks. This is not satisfactory for Amtrak or the vast number of passengers who otherwise would board at New Rochelle.

Following completion of the high-speed rail project in 1998, Amtrak plans to stop some 35 trains daily at its Westchester Station, resulting in a doubling of ridership—an additional 80,000 passengers—and some $5 million in additional revenues. This would represent vastly superior intercity rail passenger service for Westchester County.

A second concern is the lack of parking at the current station. Amtrak must have access to at least 300 parking spaces reserved for Amtrak passengers. This is not currently the situation at the existing station and may not be for a considerable amount of time. We would include parking for at least this many cars at the separate Westchester Station.

Mr. PRICE. I know that Congresswoman Lowey is concerned that the possible plan might include building a new station separate from the existing station which serves Metro-North commuter trains. This plan would deprive travellers the opportunity to change from Amtrak to local commuter service. Additionally, this plan could be harmful to revitalization efforts.

[The information follows:]

Amtrak surveys have shown that a separate station for Amtrak passenger will impact very few passengers who might want to switch between intercity and commuter trains at New Rochelle. Moreover, because ridership is relatively low at the current New Rochelle station and there is no parking available for Amtrak passengers, the impact of Amtrak passengers on the success of station area business is very low.

In contrast, Amtrak will be able to serve a projected additional 80,000 passengers at a separate station because of the significant number of additional scheduled stops it could make there. In addition, the location of the planned Amtrak station at Nardozzi Place is immediately adjacent to the future location of Home Depot and a shoppers club planned for opening over the next year. We expect that the close proximity of these new commercial businesses to an Amtrak station will generate important revenues for the businesses, as well as increase Amtrak ridership.

Mr. PRICE. Certainly, Congresswoman Lowey is justified in expressing concern over possible plans that would require expenditures on building a new station especially when there would be a negative impact on the local community. I look forward to further information on your plans for the New Rochelle train station.

[The information follows:]

Amtrak will work hard to convince New Rochelle that a separate Amtrak station will provide vastly superior travel opportunities for the citizens of Westchester County as well as help the city with its economic development plans. Obviously, it is also very important to Amtrak that a separate station will generate a projected $5 million in additional ticket revenues. We will keep the Subcommittee fully updated on our plans for the fly-over and the Westchester Station.

Mr. PRICE. And thank you very much.

Mr. CARR. Mr. Foglietta?

POTENTIAL FURLOUGHS OF MAINTENANCE EMPLOYEES

Mr. FOGLIETTA. I thank you, Mr. Chairman.

Mr. Claytor, as you outline in your statement, this has been a tough year for Amtrak. I understand that you have had to postpone overhauls and maintenance. You have had to make some tough choices and a number of workers have been furloughed.

Further, more workers face furloughs because of the Senate's failure to pass the President's Economic Stimulus Program. Can you tell me how many workers you anticipate will have to be laid off and when will these layoffs occur?

Mr. CLAYTOR. Yes.

Mr. Sullivan?

Mr. SULLIVAN. Yes, sir.

We anticipate furloughs of over 400, this month in our major overhaul shops at Beech Grove, Indiana, and Wilmington and Bear, Delaware, if we are not able to get some type of supplemental funding for these shops, or reprogramming of funds.

Mr. FOGLIETTA. Should this committee consider, I hope, another stimulus package or some supplemental appropriation for Amtrak, how much money will we be talking about to rehire these employees and how soon would this funding be needed to prevent any further layoffs?

Mr. SULLIVAN. Well, the funding, specifically, of these employees, involves approximately $21 million to keep the current levels of the overhaul programs going in the three shops for the rest of this fiscal year.

Mr. FOGLIETTA. That would be to prevent any further layoffs or would that be to rehire those who have been laid off?

Mr. SULLIVAN. To prevent any further layoffs. It would be additional to recall the employees.

Mr. FOGLIETTA. How much would that be?

Mr. NORMAN. In terms of the total amount, we are requesting approximately $61 million.

Mr. FOGLIETTA. That is to rehire and to prevent further layoffs?

Mr. NORMAN. Yes, sir.

DISTRIBUTION OF WORK FORCE REDUCTIONS

Mr. FOGLIETTA. Lastly, when you laid off workers this year, can you tell us how these furloughs were distributed? Did certain operations within your operation suffer more than others; and, lastly, was management impacted by the furloughs as was labor?

Mr. SULLIVAN. There were furloughs in various departments. We have mentioned the furloughs in the shops. We had 257 at Beech Grove. That is in the mechanical department. That affected our overhaul program. But we had other furloughs on the on-board service crews in the reservation services office, so it was fairly well distributed throughout the company, through various departments.

Mr. FOGLIETTA. That is within labor. How about management?

Mr. SULLIVAN. In management, in the last fiscal year, we had a 10 percent reduction in total number of management employees in the corporation last fiscal year.

Mr. FOGLIETTA. Reduction is that the same as layoffs, or are you talking maybe——

Mr. NORMAN. No.

Mr. FOGLIETTA. How many layoffs were there?

Mr. NORMAN. We reduced 10 percent of the management positions that we had within the corporation, and we established a salary freeze for our management employees.

Mr. FOGLIETTA. The point I am trying to make, when you talk about fewer numbers in the work force, you could be including retirees, you could be including people that left of their own volition, that is not the same as layoffs. Layoffs are involuntary. How many of those were there in management?

Mr. NORMAN. I could give you the precise number. The process we used was threefold. We agreed we had to have a 10 percent reduction in the total number of management employees that we could place through a series of early retirements, in some particular cases, in which there was an incentive. We had other cases in which individuals were given a severance, just to take it by that particular time frame. And there were some individuals, when we got to the end, if we didn't get to our number, we used involuntary layoffs.

Mr. FOGLIETTA. I would like to have that number.

Mr. CLAYTOR. Yes, sir.

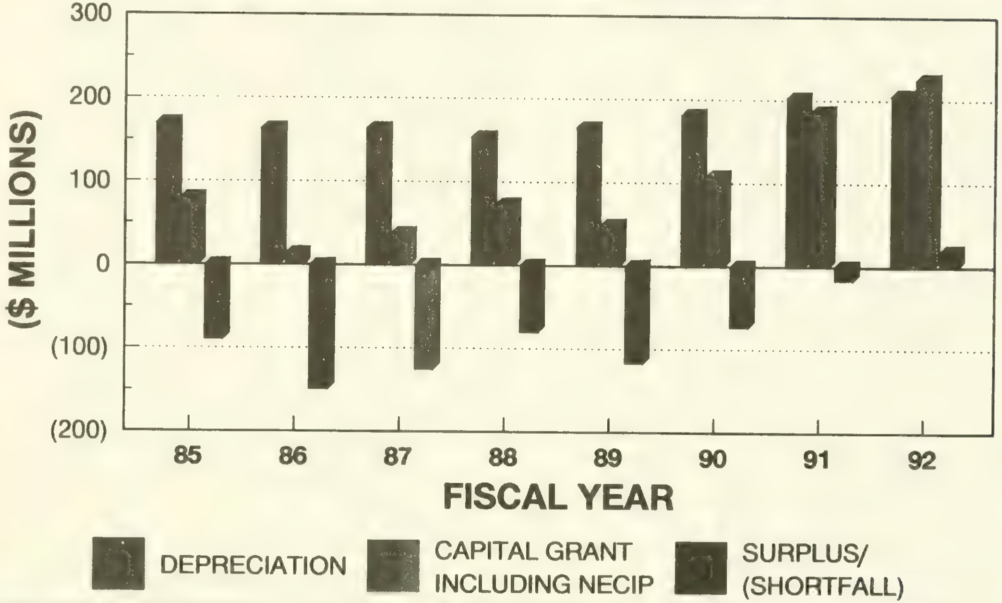
[The information follows:]

In October 1990, the Corporation decided to reduce its management headcount as one step toward relieving its poor financial position.

A ten percent headcount reduction goal was established and it was our hope that a large portion of this goal could be accomplished through attrition and the abolishment of existing vacancies. A total reduction of 265 positions was required in order to meet the ten percent goal. As of January 1991, 38 positions were reduced through attrition. Next, a retirement incentive program was offered and 125 employees accepted the incentive and retired. Still short of the goal, a voluntary severance program was offered to employees not eligible for retirement, but possibly willing to resign with an enriched severance package. Ninety-seven employees took advantage of this offer. After this, five positions were still needed to reach the ten percent management reduction goal of 265. Five employees' positions were then involuntarily abolished. The ten percent management headcount reduction was accomplished by June 1991.

Attached is a summary of the Management Headcount Reduction Initiative.

AMTRAK CAPITAL SHORTFALL
FY85 - FY92
($ MILLIONS)



THE CHART DEMONSTRATES THE CAPITAL FUNDING SHORTFALL OF OVER $630 MILLION SINCE THE MID-EIGHTIES. THIS DOES NOT INCLUDE $280 MILLION OF NHRIP GRANT IN FY91 & FY92.

INVESTMENT IN PHILADELPHIA STATIONS

Mr. FOGLIETTA. Also, recently you unveiled some grand plans for major renovation of New York's Penn Station. This project is slated to cost $350 million. Now, I strongly believe that transportation can be used as a potent economic development tool, particularly in your inner cities and disadvantaged communities. However, I am kind of concerned about the new project. While Penn Station promises to create another gem in the Northeast Corridor, I am concerned that my district in Philadelphia, our two stations are being treated like poor stepchildren. Amtrak has made some real great investments in the North Philly Train Station and the 30th Street Train Station, but these investments and accompanying development pale in size and scope the either end of the corridor here in Washington, or in New York. With this in mind, could you share with me your vision for Philadelphia as has the scope of Amtrak's trains for Philadelphia diminished, and what are doing to make the stations grow and develop?

Mr. NORMAN. May I respond to that particular point? The report on the Farley Building in New York is simply a record that we made to the Congress, of what it would cost if we were to move there. We are looking at the possibilities in that regards. But there are no monies appropriated or allocated in that regard. But Philadelphia, as you are aware, sir, is our second-busiest station. More than 8 million intercity and commuter riders go out of that station, and so it is a very, very important project for us.

There are two projects that are going on now in the Philadelphia area. The first one is in North Philadelphia, which I know you are well aware of.

In June of 1991, we built a new station building there because the area had come in disrepairs. I might add, we haven't had an area in which we have had better local support from the community in helping us to try to clean up the area.

We have also identified a developer called Possell Management Company. It is a very solid local developer in New York, that is working to build up and to develop a supermarket and auto parts shop, and to use that as a development.

I might add, since we put the new station in North Philadelphia, that we have seen ridership triple just in the past year. So using the hub and improving the habitability, does have a great impact.

In terms of 30th Street, Philadelphia, that is a station for which, as you know, a lot of work has been done. That magnificent station, which opened in 1933, has had a significant quantity of improvements in the past few years.

We now have put shops in and, in fact, on just the 29th of April, we introduced a new marketplace, with a marvelous reception, and we are seeing that now also becoming a new hub. More people have come in as a result of putting increased parking spaces, 500 more into the area. And we also occupy in Philadelphia, itself, 250,000 square feet of renovated office space. So we have a very strong and continuing presence in the area. And I might add, talking about what has happened on other ends of the hub of the Northeast Corridor of Philadelphia, in my judgment, at the 30th Street Station, compares favorably with all of them. It is a magnificent station.

Mr. **Foglietta**. I thank you, sir.

One other question for any Member of the panel, something that has always concerned me. Just recently, within the last year or two, there was erected outside of the station in Philadelphia, a sign, carved in granite at the 30th Street Station. The question I have had for many years and has been asked of me by some of my constituents, why the station in New York is called Penn Station and the station in Philadelphia—its correct name is Penn Station in Philadelphia, Pennsylvania, is always referred to as 30th Street rather than Penn Station? Is there any reason for that?

Mr. **Norman**. There really is no reason. What we have done, almost every place throughout the Amtrak system, is use what the public comes to know the station as, and through tradition, it has simply been known as 30th Street Station and therefore that is what we use.

Mr. **Foglietta**. Thank you, sir.

Mr. **Carr**. Mr. Coleman?

APPROPRIATIONS REQUEST

Mr. **Coleman**. I was curious about the numbers, and from the testimony, I noted in the Chairman's opening statement, however, he said that there was a fiscal year 1994 request of $837.1 million; is that the correct number?

Mr. **Gillespie**. Mr. Coleman, that is what the President's budget recommends for Amtrak.

Mr. **Coleman**. But your request was over $1 billion, that was that number?

Mr. **Gillespie**. That includes, I believe, our Northeast Corridor Improvement Project.

Mr. **Coleman**. I think that is the total.

Mr. **Gillespie**. Do you want the breakdown for those numbers?

Mr. **Coleman**. If I could get the total. First, what was that number, $1.3 billion?

Mr. **Gillespie**. It was $1.2, I think.

What was that, Mr. Chairman?

I hadn't added it all up.

$1.2 billion, I think.

Mr. **Coleman**. I think in his statement he said $1.3 billion, and I was interested—we can total it up.

I have been handed a sheet of paper. It talks about operations, that is the number I had was 300 and—your request was 391, but the administration's request was 381 for Amtrak operations; am I correct?

Mr. **Gillespie**. Their operating number, I think, was $468 million. We are mixing a couple of different items.

Mr. **Coleman**. Mandatory payments, for example?

Mr. **Gillespie**. Yes.

Mr. **Coleman**. Let me ask you a question, in dealing with these numbers when you put in the list, when we discuss the number like fiscal year 1993 inactive, that is what is anticipated to be spent, or that is what has been authorized or at least appropriated from the last appropriations bill?

Mr. **Claytor**. Been appropriated.

Mr. Coleman. Your statement earlier about a need for certainly dealing with it in a supplemental, perhaps, this year, what would be if—could we break that down also if we had a supplemental. In answer to the gentleman from Pennsylvania's question you were discussing the issue of the overhaul, those kinds of issues, could you have an overall estimate of what that would be.

Mr. Gillespie. To do the overhaul, sir.

Mr. Coleman. No, sir, for supplemental, do you have plans?

Mr. Gillespie. We had requested, I think, $58 million in supplemental for the operating side. One of the difficulties here when the stimulus package was moving, we had $61 million included in capital, which would have dealt with some of the overhaul issues that we have and would have prevented, as Mr. Sullivan is saying earlier, the further furloughs, and would allow us to recall people who had been furloughed last year.

Mr. Coleman. We had $61 million in the stimulus package?

Mr. Gillespie. That is correct.

Mr. Coleman. But now——

Mr. Gillespie. We had $61 million in the stimulus just for overhauls, we had a total of $188 capital money in the stimulus package.

Mr. Coleman. That is the number I was looking for.

Mr. Gillespie. Right.

Mr. Coleman. So what would we do then with the supplemental if we came up with a supplemental this year; your request for capital in supplemental would be what amount? Would it include, for example, the $61 million that we didn't get in the stimulus package?

Mr. Norman. Mr. Coleman, perhaps if I could try to explain that, sir. When we made our original request for a supplemental of $28 million, we had determined that the cuts we had made over the past two years had gone too deep.

When a person comes to Amtrak and wants to make a reservation, our average speed of answer, which is the time at which a customer would hear an Amtrak agent talk, has increased from the industry average of 20 seconds to approximately 45 seconds. That was a staffing issue, and we had laid off a number of people to do that. When individuals——

Mr. Coleman. Could you give me a number, when you say laid off a number of people; could you give me a number?

Mr. Norman. I can give it. It is approximately 200-plus individuals, and I will give you the precise number in our reservations sales offices. We also went to another situation in which once you came on board our trains, instead of one attendant per car, we moved from one attendant for every three cars.

We did a reduction for our low-level cars and on our Superliners, we had two attendants for every three cars. Again, that was a staffing issue that we thought we were doing to get through a short-term situation that had persevered, and that was going to be taken care of.

We also had similar situations, as has already been indicated, in terms of cutting back employees for our overhauls. But also in our stations, and throughout the entire station, in our ticket agents, red caps and our commissaries, we had reductions there, also.

Then we had other kinds of factors, such as we cut back on our advertising and sales promotions. The net result of all of these cuts, which we thought were good business decisions in the short term, ones that had to be continued in 1991 and 1992, and where we were into 1993, was a situation in which we were seeing a degradation of service. It was on that basis—and also we had to have a drawdown of our cash which was putting us in a very difficult situation, that we asked for the first time for a supplemental.

The reason why we are having a different conversation today, Mr. Coleman, is that we are no longer talking about a situation in which we will replace those things that we have done in the past. We are talking about a shortfall that we are anticipating in the area of $30 to $60 million, and now we would use that supplemental first to take care of that shortfall before we go back to correct some of those inequities in the past. And that is the reason why there may be some confusion, because what we ask for in the supplemental would be used differently now, given the very precarious situation under which we are now existing.

Mr. COLEMAN. The question comes to my mind, does the fiscal year 1994 request go back to take care of those problems?

Mr. NORMAN. Yes. Yes, sir. So, therefore, the $391 million that we are requesting asks for $381 million that were required for our overall operations, and another $10 million that is set for the labor protection, and therefore we have asked for our full authorized level for 1994.

LABOR PROTECTION

Mr. COLEMAN. Please describe that labor protection issue in a minute for me.

Mr. NORMAN. Within our system, and one reason why we sometimes had a question, we have made all the cuts, but why we haven't cut trains—there is within a law a requirement that if we were to eliminate routes, then we have a requirement to pay labor protection up to an amount, up to six years. So what we have been able to estimate for our long distance trains and what we look at the cost of eliminating full routes and what we have found is that the cost in labor protection would more than offset the savings that we would receive as a result of cutting out the route.

And that is why that has not been a viable option and we figured the labor protection payments based upon how many people we think would be remaining in the labor force, and so we have been very conservative. We don't just assume that we will spend 100 percent on every person for the full six years. We assume that some get jobs, and it goes down progressively each year—but that is what that is all about, in terms of labor protection, and that is a very small amount that we are now paying people who have been laid off in the past.

Mr. COLEMAN. You said it reduces itself over the years?

Mr. NORMAN. Yes, sir.

Mr. COLEMAN. A period of time, and it is now $10 million.

Mr. GILLESPIE. I think that number, Mr. Coleman, is what you are referring to, is not labor protection, that is a 403(b) authorization number that is mentioned inside our request.

Mr. COLEMAN. I thought he had just mentioned that was the number of the——

Mr. GILLESPIE. Not our labor protection costs. It is in the operating budget, but I don't know what it is—less than a million dollars.

Mr. COLEMAN. Okay.

I yield back to the gentleman.

Thank you.

CHICAGO-SEATTLE-PORTLAND ROUTE PERFORMANCE

Mr. CARR. This gets to the nub of a question here which the gentleman from Texas was asking you.

It appears some of these routes that you have, Mr. Claytor, are real money losers. For example, the Chicago-Portland route I show on my list for the fiscal year ending September 30, 1992—this is just the revenue to short-term avoidable cost ratio—was 0.86.

The Federal Government subsidized that route to the tune of $20 million.

Mr. CLAYTOR. Yes.

Mr. CARR. How many people rode the Chicago-Seattle-Portland route?

Mr. CLAYTOR. Do you have that figure?

Mr. NORMAN. I can't give you that number. But for fiscal year to date I have the information, sir, and that is approximately 230,000 people just for October through March.

Mr. CLAYTOR. It is a fairly heavily traveled train.

Mr. CARR. Well, if you have that much demand, what does that come out to? Somebody have a calculator there they can quickly do the math? That is 230,000 between when and when?

Mr. NORMAN. Roughly between October and March.

Mr. CARR. That is 6 months. So if you annualize that, you have 460,000 people.

Mr. NORMAN. I think, Mr. Carr, we have peaks and valleys, so the larger part of the travel year is ahead of us during the summer. So it is not quite a doubling in that regard. It would be more than doubling.

Mr. CARR. What would you put it at then? 500,000? 550,000?

Mr. NORMAN. For the sake of conversation, yes, sir. I don't have the numbers with me, but I will get it for you.

[The information follows:]

During Fiscal Year 1992 the Chicago-Seattle-Portland route (The Empire Builder) carried 435,600 passengers. For the last twelve months, the passenger count had been 436,600.

Mr. CARR. 550,000. So you have—let's see.

And not all those people are going from one end of the line to the other?

Mr. NORMAN. No.

Mr. CARR. That includes everybody on that train at some point?

Mr. NORMAN. Yes, sir. Our statistics show for the coast travel, 15 to 16 percent travel from origin to destination.

LONG DISTANCE ROUTE PERFORMANCE

Mr. CARR. And you have this one, curious to me, Mr. Claytor. Again this is the route report for fiscal year September 30, 1992. New Orleans-San Antonio-Los Angeles had a very low ratio, .64?

Mr. CLAYTOR. Yes.

Mr. CARR. I believe that is the train you have extended to Miami.

Mr. CLAYTOR. That's right. The extension is now doing extremely well. The extension portion of it is, in effect, sold out all the time. It is a three-times-a-week train. Only three times a week, you must remember that, one of our two tri-weekly trains that are left.

Mr. CARR. Then you have, again, these being just short-term avoidable costs which, basically, means fuel and salaries and consumables, food——

Mr. NORMAN. Yes, sir, directly attributable to operating the train.

Mr. CLAYTOR. And the costs you save if you took the train off.

Mr. CARR. Well, is that totally accurate?

Mr. CLAYTOR. Yes.

Mr. CARR. That might be your immediate cash flow to that route. If you were to take that same equipment and operate it at a higher frequency on some other route, you might improve your revenue situation actually?

30-MILE RULE

Mr. NORMAN. Yes.

Mr. CARR. Possibly. It is not a guarantee. Maybe some of that line feeds other lines and so on. You would have a network effect here. I am not ignorant of that.

But I am just wondering whether you have really optimized your network when you have these routes. Some day I would love to have somebody come up and explain to me how your network, perhaps, differs from the airline network.

Mr. CLAYTOR. Be glad to do so. But don't forget, if you took that route off, you have labor protection which would wipe out any savings that you had from the cost of the train. That is the only train on that route. Therefore, labor protection for everybody involved, including station agents, on board service, and everything else would kick in.

Mr. CARR. You have no ability to move station agents from one location to another?

Mr. CLAYTOR. Not for more than 30 miles.

Mr. NORMAN. 30 miles.

Mr. CLAYTOR. We have tried to get that changed, but we have not been able to.

Mr. CARR. If you are in an airline and they close a hub, people either get laid off or they are transferred to another hub.

Mr. CLAYTOR. Yes. But this labor protection was included in the original Amtrak bill. Labor was afraid that Amtrak would start taking over the rail passenger trains and then would discontinue the trains, and they would all be out of a job. So they got this extremely liberal labor protection rule in the statute. That is one of the problems that we have to live with.

Mr. NORMAN. Mr. Carr, I might add—in response to Mr. Coleman, I should have added that one of the things that we have done in these past three years is gone through every train in the Amtrak system.

In those cases where we can make adjustments—that is change the frequencies, reduce the frequency, take something off—that we can do it without getting labor protection. We have also done it.

We also use what we call the "nth" car analysis. We say, what is the impact of taking a car here and putting it on that or this route? We have gone through the entire system. And the reason we have gotten some of the savings and productivity is by doing that.

But you reach a point where you have only one train operating on an entire route. That is when the labor protection becomes involved, and we don't have the capability of making those kinds of adjustments.

But where we have been able to take a frequency on, adding service in another place and taking a car to get increased revenues, that is an active part of the efforts we have had in the past three years.

Mr. CLAYTOR. Yes.

Mr. CARR. Does that apply to routes that were instituted after your authorization bill?

In other words, if you start a new route, such as you have to Miami, then it doesn't turn out to be such a great route, can you discontinue it without labor protection?

Mr. CLAYTOR. No. If it is a permanent route, labor protection automatically kicks in if it is the only train on that route.

Mr. CARR. The only train for only a portion of the distance. There are plenty of other trains from Jacksonville to Miami, runs between New Orleans-Jacksonville-Miami. The only new section is from Jacksonville to New Orleans.

Mr. NORMAN. Perhaps I erred in the way I explained it, and I apologize. They get up to six years. That is for the amount of time they have been working. So in that particular case, if it was a new route as you describe, and it went for one year, we would have to pay labor protection for one year.

If I gave a wrong impression, I apologize.

Mr. CARR. Still it is hardly an incentive to establish a new route.

Mr. NORMAN. We agree.

THE MONTREALER

Mr. CARR. Washington–Montreal, the Montrealer.

Mr. CLAYTOR. One of our trains.

Mr. CARR. .63 ratio of revenue to short-term avoidable cost?

Mr. CLAYTOR. That's right.

Mr. CARR. That train starts here in Washington but part of that is a segment from here to New York; is that not correct?

Mr. CLAYTOR. That is correct.

Mr. CARR. Then to Boston?

Mr. NORMAN. To Montreal.

Mr. CLAYTOR. To Montreal. Via New Haven and New London, then north from New London on the Central Vermont Railroad. It is the sole train on the route from New London north to Montreal.

Mr. CARR. Does that operate every day?

Mr. CLAYTOR. Yes.

Mr. CARR. Would you like to discontinue it?

Mr. CLAYTOR. Well, I would like to get some better equipment on it and try to do better with it, but it is doing very poorly.

The portion on the Northeast Corridor carries a good many people, but it is an overnight train and it is the only train serving northern New England. It is a very popular train to northern New England. It is not doing well financially.

Mr. CARR. Okay.

Mr. CLAYTOR. Again, you have the problem, it is the only train on the route from New London to Montreal.

Mr. CARR. All right.

Mr. CLAYTOR. There was a great deal of pressure to put that train on many years ago, an international train, and it was put on then. We have had it ever since.

CHICAGO-PORT HURON

Mr. CARR. What about the train—I don't see it on this little chart I am looking at. Don't you have a train Chicago–Toronto?

Mr. CLAYTOR. Yes.

Mr. CARR. Is that foreign owned?

Mr. CLAYTOR. No, it is international, run jointly with VIA of Canada. We use their equipment and our equipment alternately on that train.

Mr. SULLIVAN. That's right. North from Chicago to Port Huron. That is probably what you have on your list.

Mr. CLAYTOR. Chicago to Port Huron.

Mr. CARR. So you only list the U.S. portion of that?

Mr. CLAYTOR. Yes.

Mr. NORMAN. Once it is in Canada, it is a Canadian train, sir.

Mr. CARR. With Canadian crews? You stop at the border, and your guys jump off while the train is going over the bridge or something like that?

Mr. SULLIVAN. The crews run through, but the equipment is VIA and Amtrak equipment alternately.

Mr. CARR. Okay. Have you ever looked at what they say about that route in terms of short-term cost recovery?

Mr. NORMAN. Yes, sir. We have regular discussions with them. In fact it is an ongoing process of how we can improve the profitability of every train.

In the case of the Montrealer, we come up with ways in which we can improve the overall efficiency and effectiveness of the trains. And we have found ways to do that. That is an ongoing process, sir, looking not only at routes but at every individual train and what actions can be taken to market it better, to cut the costs, to improve overall economics of it.

THE ATLANTIC CITY EXPRESS

Mr. CARR. Well, I would like to put in here, while we read the bad news, the good news is your Northeast Corridor, taken together, five trains, has a very positive ratio, 1.98. And if it weren't for your Atlantic City run—would you like to discontinue that one, Mr. Claytor?

Mr. CLAYTOR. Excuse me?

Mr. CARR. Would you like to discontinue the Atlantic City run? It only recovers .74.

Mr. CLAYTOR. Atlantic City is doing very well from distant cities. It was thought that the Philadelphia-Atlantic City run would be the primary thing and they would use connecting trains. That did not work out.

We have gotten rid of most of the Philadelphia-Atlantic City trains. But we are doing very well with Atlantic City to Richmond, Atlantic City to Harrisburg, Atlantic City to New York and New Haven.

Mr. SULLIVAN. That is correct.

Mr. CLAYTOR. And some other places. That is working reasonably well.

Mr. CARR. What do you call that train?

Mr. CLAYTOR. The Atlantic City Express. Multiple expresses.

Mr. GILLESPIE. We have reduced frequency.

Mr. CARR. I thought you might call it the two-way gamble or something.

Well, I wanted to put that in the record because we get over on the House Floor a lot and people try to say that Amtrak is all about subsidizing wealthy travelers in the Northeast Corridor, which is really not the case.

Mr. CLAYTOR. That's right.

BARRIERS TO DISCONTINUANCE OF SERVICE

Mr. CARR. You are doing very well there.

Again, it gets back to where we should concentrate our efforts.

Besides the economic barrier of labor protection, are there any other legal barriers to discontinuing some of these lines?

Mr. CLAYTOR. There are political barriers.

Mr. CARR. No legal ones, though?

Mr. CLAYTOR. No. Some trains we can't take off without going through a very complicated procedure.

When we discontinued a train between Tampa and St. Petersburg a few years ago, because we could handle that business much better with a bus in a third of the time it took the train to go between the two cities because it is a long route, it took us 18 months to two years to be able to do that. Although, there it was obviously called for in every conceivable way.

But taking a train off, under the statute, depends a little bit on the route and how many trains there are and that sort of thing. But it is not easy.

Mr. CARR. Let me throw the ball to Mr. Lindsey, for a minute, with the administration.

Would the administration support having Amtrak abandon some of these unprofitable routes?

Mr. LINDSEY. Well, I don't think there is an Administration position on that. However, my guess would be that it would certainly be considered appropriate for Amtrak to look over the routes, hold them up against the route and service criteria, and if adjustments seemed appropriate under those criteria, pursue them.

Mr. CLAYTOR. There are criteria in the statute that you have to meet in order to take a train off.

Mr. CARR. Well, but the question is, will the administration support Amtrak's elimination of unprofitable routes?

If you had to make a choice, would you rather do that or cut back on Amtrak capital?

Mr. LINDSEY. This is my own guess, rather than an administration position, but my guess is that it would be supported.

Mr. CLAYTOR. The administration would have to take a position they want to repeal or revise the labor protection provision because it costs you more to take a route off than it does to keep running it. That would present another problem.

Mr. CARR. That may be. We have a new administration that is talking about efficiency and talking about reinventing government and doing things in a new kind of way. And while I could well believe that the labor protection provision at the outset of Amtrak might have been a very important thing to do, we are now well down the road and we are confronting a totally new economic situation; and maybe the administration would propose modifying labor protection if not doing away with it entirely.

Can you get an administration position for us?

This is one of the difficulties. It is not your problem, Mr. Lindsey. I mean here we are, sitting in the middle of May, and we still don't have someone who has the authority to speak for this agency from an administration point of view. The civil servants are doing a great job of pulling us through this period. But it is very hard on everybody. It is very, very hard on everybody with only one confirmed appointment in the entire Department of Transportation, being the Secretary. You can't get anybody to answer a question.

Mr. LINDSEY. That's right.

Mr. CARR. You can't get anyone. Not that they don't want to. I am not trying to put this on you, but this is just getting to the point of outrageousness. Mr. Coleman, do you have a question?

Mr. COLEMAN. I was going to point out, Mr. Chairman, that I think a part of the issue of taking a position that you can eliminate some of the more unprofitable lines is not just a labor issue. There is also a good deal of concern, I think, historically from the States—my State for example—checkerboarded with sections, 640 acres each, owned by T&P and some others—I think T&P for sure in my part—to get them to build railroads west. May seem like a long time ago, and I am sure it was not recent; but at the same time, the loss of passenger service on part of the people when we eliminated passenger rail service, pre-Amtrak, there was a lot of strong feeling that, hey, you can't do that.

You gain something for the service that you provided, and it turned out, by the way some of those sections of land were very valuable, had some oil and gas underneath.

There was a strong feeling, I think, from a constituency that says, you don't just eliminate it looking at the bottom line. You have to—if you are going to do that, you have to take into account the history of the last 120 years.

I wanted to point that out as an issue. I know it is a problem you confront, but there was a reason for the political problem.

Mr. CLAYTOR. Mr. Chairman, there is one other thing we should mention. You talked about the Empire Builder, the train from Chicago-Milwaukee-Minneapolis to Portland/Seattle. That train goes through areas of northern Minnesota, North Dakota, Montana; and they have no service of any kind except the train; no air service to many of these towns, not even any bus service. And that train is critically important to the rural populations that it serves. It is a daily train.

And when there was a question raised three years ago about rerouting that train so that it skipped a half dozen communities in North Dakota, we had the entire Congressional delegation, a good number of people from the State legislature, and about four mayors down here having a conniption fit about that, that that would ruin their communities.

So Amtrak is performing an important social service in many of its routes as well as straightforward profit, I believe, transportation service.

I think when one is looking at expenditures and looking at trains, one has to look at what we are doing for the populations, for the environment, for a whole lot of other factors, as well as how much money we lose.

That is something Congress will have to look at very carefully. And I think they should.

Mr. CARR. Well, if we stop a train and create a new wilderness area——

Mr. CLAYTOR. Yes.

Mr. CARR [continuing]. We want to do something for the environment. I am sure that will get in the paper in North Dakota for sure. But the point is, we have to make a decision about how much transportation money will be for transportation and how much of it is going to be for cultural things. And those are important values. But perhaps they ought to be considered in some other appropriation subcommittee jurisdiction because it gets very expensive when you have scarce needs and you want to have MAGLEV all over the place and you don't have the money.

Mr. CLAYTOR. Okay.

Mr. CARR. We are on a rather tight timeframe today. I have a number of questions on your operating budget, which I will ask for the record.

FISCAL YEAR 1993 REVENUE SHORTFALLS

Mr. CARR. How many people have been furloughed or permanently laid off at your maintenance facilities in Indiana and Delaware since last year? And do you anticipate any further reductions through the end of this fiscal year?

[The information follows:]

In Beech Grove, Indiana, 261 positions were abolished. This resulted in 228 furloughs because the balance transferred to other departments, retired or went on sick leave. Presently, 184 positions remain furloughed.

No employees were furloughed at our Bear and Wilmington, Delaware, Shops.

Our present work force is based on $55 million budgeted for capital overhaul programs. If the remaining $21 million of this funding is not appropriated, 429 positions will be furloughed by May 21, 1993. Of this, 305 will be at Beech Grove and 124 will be at Delaware. Also, another 11 positions at Bear, Delaware, would have to be furloughed on July 30, 1993, when wreck repair funds are exhausted.

Mr. CARR. To what extent are revenues from your commuter services helping to alleviate this shortfall?

[The information follows:]

Although commuter revenues have increased by almost $30 million compared to last year, all but $2 million was anticipated and included in the fiscal year 1993 budget.

Mr. CARR. It was reported in the trade press that 6 percent of your locomotives and 40 percent of your passenger cars are past their recommended overhaul date, and those percentages are climbing due to the deferral of scheduled maintenance work.

Mr. Claytor, are these figures accurate?

[The information follows:]

Since fiscal year 1989 and projected through 9/30/93, 28 of 380 passenger service locomotive overhauls, or 7 percent, will exceed the recommended overhaul cycle. However, 77 of our 79 work train switcher locomotives have not been overhauled.

Since fiscal year 1989 and projected through 9/30/93, 660 of 2,034 passenger car overhauls, or 32 percent, will exceed the recommended overhaul date.

These percentages will rise unless funding is increased to expand the present number of overhauls for which we are budgeted.

FRA'S AMTRAK OPERATING REQUEST

Mr. CARR. Amtrak is requesting $381 million in operating support for inter-city service in fiscal year 1994. The comparable request from the Federal Railroad Administration is $331 million, the same level as provided for fiscal year 1993.

Mr. Lindsey, we have seen that in fiscal year 1993, $331 million was not enough to cover Amtrak's operating shortfall. Despite this evidence, FRA submits a request of only $331 million for Amtrak operating support in fiscal year 1994.

What changes would Amtrak need to make over the coming year to improve its financial performance with a level of funding which is clearly inadequate today?

[The information follows:]

The Administration's request for operating funds is $60 million lower than Amtrak's primarily because FRA assumed a rebound in the economy and a continuation of earlier expense cuts. The proposed grant will also require Amtrak to continue to pursue a number of cost savings and productivity improvements, such as streamlining operations at maintenance facilities, improving equipment utilization through computer-aided planning, and improving information systems.

UNION CONTRACT DISPUTE

Mr. CARR. Mr. Claytor, your grant justification states that a particular interpretation of a union contract clause is under dispute and could cost Amtrak an additional $15 million in fiscal years 1993 and 1994.

Would you explain this situation to us?

[The information follows:]

The United Transportation Union (UTU) agreement included a clause that guaranteed the UTU a comparable agreement with the Brotherhood of Locomotive Engineers (BLE). The BLE was awarded a better overall contract than the UTU in binding arbitration. The UTU, however, has proposed keeping the best parts of both contracts. The dispute has been submitted to the arbitrator, testimony has been held and we are awaiting a ruling. Should the arbitrator rule for the UTU, Amtrak will incur an additional $15 million in wages and lump sum payments over the two year period fiscal year 1993 to fiscal year 1994.

Mr. CARR. When will a decision be reached in this matter?

[The information follows:]

We expect a decision within the next 2 months.

CASH BALANCE

Mr. CARR. Mr. Claytor, at the end of fiscal year 1992 Amtrak only had $30.9 million in cash onhand, a significant drop from the $113.2 million onhand at the end of fiscal year 1989. You are requesting $30 million in fiscal year 1994 to address this cash shortage.

Why is Amtrak in this situation?

[The information follows:]

Amtrak's fiscal year 1992 annual report shows $35.6 million in cash, $20 million of which was borrowed in September 1992. The three year reduction of Amtrak's cash was $97.6 million. Over this period, due to the recession, Amtrak revenues fell $266 million under our original estimates. Management actions were able to offset over $180 million of this revenue shortfall. The remainder, however, resulted in operating losses exceeding our federal operating subsidies by $84 million over the three years.

AMTRAK SUPPLEMENTAL

Mr. CARR. Mr. Lindsey, does FRA believe this committee should recommend an appropriation for Amtrak to address its cash situation?

And if so, is $30 million the right amount to provide?

[The information follows:]

Latest estimates for fiscal year 1993 indicate that Amtrak is expected to incur an operating loss that is $30 to $48 million higher than its appropriated operating grant of $331 million. Traffic revenues have not rebounded as originally forecast and weather conditions were unusually bad.

The company has also been forced to deplete cash reserves over the last three years to cope with the continued weakness in the travel industry and is ill-equipped to absorb this loss. Amtrak has estimated a $100 million depletion of its working capital position over the last several years.

The Department is working to develop an Administration position on supplemental assistance.

EQUIPMENT MAINTENANCE

Mr. CARR. In 1991, Mr. Claytor, Amtrak's Inspector General issued a report detailing a lack of cost controls at your maintenance facility in Wilmington, Delaware. Implementing the IG's recommendations were expected to save Amtrak about $6.2 million.

Especially given the tightness of your maintenance budget and the continuing shortfalls, have you realized those savings?

[The information follows:]

The $6.2 million referred to in Audit 91-37 represented the estimated amount of material issues that were not adequately reviewed or authorized prior to issue. It implied that there was potential for savings of part of that amount if the inadequate controls had resulted in excessive use, loss or theft. However, the use was for valid consumption and therefore would not result in a savings. Controls were implemented per the Internal Audit recommendations to properly review issues to prevent any potentially unnecessary material losses.

Mr. CARR. Mr. Claytor, when you buy a locomotive, what do you figure its useful life at?

Mr. CLAYTOR. My expert here.

Mr. SULLIVAN. If it is a diesel locomotive, we figure the useful life between 15 and 20 years. But an electric locomotive, like we use in the Northeast Corridor, has a useful life in excess of 30 years.

Mr. CARR. How about the cars? The cars you take delivery on now, you are planning, what, a 30-year useful life on those?

Mr. SULLIVAN. For financing purposes, yes. But the Heritage equipment we use today was built 40 or 45 years ago, and we are still rehabilitating that for use.

Mr. CARR. You are expecting to take delivery of 56 new locomotives and 64 new passenger cars between now and the end of fiscal year 1994.

It would seem that much of your increase in equipment maintenance, which you have programmed at 5.1 percent real growth, for fiscal year 1994. It seems to me that much of that increase would be needed just to maintain the newly delivered equipment.

Is that not the case?

Mr. SULLIVAN. Not really. We actually take delivery on 56 new locomotives and 140 new Superliner cars; although, that goes beyond fiscal year 1994. We start taking delivery this summer.

But those will be new cars, and they will replace some of the older Heritage equipment that we have, which are extremely costly to maintain, by the way.

The increases that we are asking for are to overcome some of the problems that I pointed out previously on this chart.

Mr. CARR. Your testimony is the 5.1 percent increase in equipment maintenance is to aim at the backlog?

Mr. SULLIVAN. Yes.

Mr. CARR. Not the new equipment?

Mr. SULLIVAN. New equipment will help our maintenance cost because it is new and won't need the overhauls for several years.

BOARD OF DIRECTORS

Mr. CARR. Mr. Claytor, can you update us on the status of the Board of Directors?

You have some vacancies. Tell us what they are.

Mr. CLAYTOR. There are four vacancies on the Board of Directors that have been available, two of them for some considerable time. I will describe them.

Two of these vacancies are appointments to be made by the President from nominees named by commuter agencies that operate over Amtrak's facilities.

They are for two-year terms, and they do not require confirmation by the Senate.

The nominations have been in front of the President for some time, and no appointments have been made.

The existing board consists, at the present time, of Secretary Peña and myself, ex officio; and then the four previous appointees of President Bush who signed the letter. So that we have a total of six.

Now, there are two additional vacancies for four year terms that require Senate confirmation that have been vacant for some time, since last summer or earlier.

One of those is an appointment by the President with confirmation required of a nominee—one of three nominees made by the Railway Labor Executives Association.

Mr. Charles Luna was a director of our ours and a very valuable director in filling that particular category for over 20 years, ever since Amtrak was started. He died, unfortunately, last September.

That nomination is in front of the President, too.

The other remaining one is described in the statute as a businessman with interests in railroading, interest and experience in railroading. And that, in turn, is to be made by the President from anyone he wants. That is to be confirmed by the Senate. That has not been filled either because it was formerly filled by Mr. Carl

Vogt, who resigned a little over a year ago to become Chairman of the National Transportation Safety Board. That has been vacant since then.

So that is the situation.

Mr. CARR. Presumably, a businesswoman with business experience in rail would also qualify?

Mr. CLAYTOR. That's right. A business person, we should say.

EMPLOYEE CLIMATE ASSESSMENT

Mr. CARR. In July 1992, Amtrak conducted a survey of its employees to determine how employees perceived the organization and to see what improvements were needed in management and employee involvement. The interviews included over 300 people in nine different locations.

Regarding Amtrak's vision statement, it was reported that employees at every location expressed serious reservations about the ability to achieve Amtrak's goal of self-sufficiency by the year 2000.

As the report concluded, "clearly they are not committed to this aspect of the vision."

How will you achieve that goal if your employees do not believe in it?

[The information follows:]

The period since Amtrak announced its goal of eliminating its need for federal operating subsidy has been one of economic recession. To live within our resulting financial means, Amtrak has been forced to limit expenditures. Employees working in our equipment overhaul program have experienced layoffs. Coach attendants working on trains have had to serve more cars than in the past.

In addition, many employees were represented by organizations that had not reached agreement with Amtrak on new contracts. Consequently, they worked an exceptionally long time without pay increases. These conditions of budget reductions and harder work came to be associated with our self-sufficiency initiative because of the coincidence of timing.

As the Committee may be aware, Amtrak's improvement in its level of self-sufficiency during the 1980's (as shown by the increase in its revenue-to-expense ratio) was primarily a result of increased revenues, not expense reductions. Similarly, our report to Congress on our self-sufficiency initiative showed that the plans for the 1990's focused for the most part on revenue increases. Our employees were, understandably, misinformed and usually associate this goal with the expectation that Amtrak will make unreasonable demands on them. This is not true, and we are applying much effort to helping them understand this.

During the past six months, Amtrak's top management has begun a series of face-to-face meetings with employees nationwide at every significant location at all hours of the day and night. The objective is to reach as many employees as possible very soon to improve mutual understanding on all issues revealed in the employee survey. As part of this communications initiative, we discuss our self-sufficiency program. We also use every other means of communication possible to get the real story to every Amtrak employee. We remain committed to the goal, albeit on a somewhat longer schedule due to the state of the economy. We believe that it is important that Amtrak continually make every effort to minimize and eventually eliminate its need for federal operating support.

Mr. CARR. The study also listed eight desired values of Amtrak management, such as teamwork, respect for employees, customer focus, and safety.

The survey found that none of the eight are seen today as a current value of Amtrak and only corporate managers in Washington believe that safety is a currently held value.

How would you explain this finding?

[The information follows:]

The purpose of the Climate Assessment was to provide information to Amtrak's senior management that would enable it to successfully launch its new Continuous Quality Improvement (CQI) initiative. Among other things, the CQI initiative contemplated the development and communication of an Amtrak vision statement. In that regard, the Assessment asked employees their perceptions about eight values that were to be included in the vision statement. The purpose of these questions was to assess the perceived gap between the eight values and current values so that strategies for closing that gap could be incorporated into the plan for implementing CQI. Inasmuch as Amtrak had not previously undertaken a comprehensive or uniform effort to imbed these eight values in Amtrak's culture, the results of the Assessment were not surprising. Indeed, they reaffirmed the need for CQI and provided a benchmark from which we would measure our improvements.

Mr. CARR. While I understand that some of these feelings may have been a by-product of long and bitter negotiations with your employee unions, that would not explain the finding that many of your managers in the field agreed with these assessments. In fact, the report said that "There is a significant gulf between the field and corporate staff. Managers in the field said they are increasingly beginning to side with union employees."

Does this indicate institutional problems of management and supervision far beyond those affected by union contract negotiations?

[The information follows:]

It is not possible to completely gauge the influence that Amtrak's protracted labor negotiations had on the employee perceptions expressed in report. The negotiations undoubtedly colored perceptions throughout Amtrak. Nonetheless, it is safe to assume that Amtrak is experiencing some managerial and supervisory problems that are unrelated to the negotiations. Accordingly, Amtrak has incorporated strategies for addressing these problems in its Continuous Quality Improvement initiative.

MARKETING EFFORTS

Mr. CARR. This Committee has been critical of Amtrak's inadequate marketing efforts in the past. We even went so far as to earmark additional funding for Amtrak marketing in fiscal year 1992, but I understand that the funds were reprogrammed to other activities.

Overall, how do you measure the effectiveness of your marketing efforts?

[The information follows:]

Amtrak's marketing initiatives, innovations and successes compare most favorably with other components of the travel and tourism industry. We have broadened our effort by adding new initiatives in direct marketing, joint promotions with other companies, improving our tour program, and instituting a rail/fly program with a major U.S. airline. Nevertheless, we, too, are concerned about the adequacy of funds for our marketing programs, but marketing must function in concert with, and in consideration of, our product. While we were appreciative of the Committee's action to supply more funds for marketing expenses, there were other needs, such as equipment and facilities overhaul and maintenance, that were greater and that have grown due to the lack of resources to replace these assets. An aggressive and broad-based marketing effort is an important aspect of revenue generation, but maintaining the adequacy of our product is an even higher priority. As our equipment and other assets age they will require an increasing share of our operating and capitol funds unless they are replaced or renovated.

There are various ways we use to measure marketing effectiveness, but one of the most common is to compare Amtrak to others in the travel and transportation business. The events of the past several years (the Persian Gulf conflict, air-fare wars) make comparisons difficult, however a comparison of revenues and passenger miles over the last three years helps to smooth out some of these extraordinary events. For the past six months the percent differences over a three year period are as follows:

	Airlines Pass. Miles	Airlines Rev.	Amtrak Pass. Miles	Amtrak Rev.
Oct-92	-2.4%	4.0%	10.1%	6.4%
Nov-92	-4.3%	4.2%	11.1%	5.1%
Dec-92	-1.3%	7.0%	7.4%	6.7%
Jan-93	-0.4%	9.0%	10.9%	9.8%
Feb-93	-2.1%	7.7%	6.4%	5.3%
Mar-93	-2.7%	3.8%	-5.1%	-0.4%

These data would indicate that Amtrak's performance, despite a much smaller growth in capacity, compares very favorably with the domestic airline industry. In the northeast corridor in particular, where we have been able to maintain the standards of our product. In the first quarter of 1993 Amtrak experienced the largest airline/rail share of the New York-Washington market that we have had, 45.7%.

Mr. CARR. The recent revenue losses have been attributed to a downfall in the general economy which has affected the entire travel industry. Yet we have seen improvements in air travel since January, while Amtrak's travel has remained flat.

How do we know that the economic downturn has not been masking other deficiencies at Amtrak, such as ineffective marketing?

[The information follows:]

While airline revenues have improved somewhat since January, one has only to look at the preceding three months to see a three month period in which Amtrak revenues outperformed those of the airlines. We suspect that due to recent fare policy changes, the airlines have effectively increased their revenue by increasing the effective fares and revenues from their business passengers, while lowering the discounts offered to their leisure passengers. Leisure travelers, upon which we depend for a large portion of our business, were not adversely impacted by the new air fare restrictions. Instead they benefitted. Because business travel is such a smaller percentage of Amtrak travel, Amtrak could not achieve the same increase in yields, although our business travel, as reflected in Metroliner Service travel, is up substantially in the past several months.

PASSENGER SURVEYS

Mr. CARR. In the aviation business, airlines are required to pull 10 percent of all boarding passes and provide them in a computerized database known as the "Ten Percent O&D Survey." This information is used by the airlines in their marketing decisions.

Does Amtrak have a similar process?

[The information follows:]

Airlines pull and submit to the Department of Transportation every ticket lifted which ends in a zero, for compilation into a general airline database. Amtrak has origin/destination ridership and revenue data similar, but not identical, to the 10 percent DOT sample, but is based on all our ticket usage, not just a sample. This data is available on a computerized database.

Mr. CARR. The previously mentioned employee survey last year found that your employees consider your passenger assessment surveys to be outdated by the time the data is reported, and they are not reviewed by field units for accuracy.

Would you comment on these concerns?

[The information follows:]

The data obtained from the systemwide Passenger Assessment Survey (PAS) have traditionally been collected for market planning and the findings and conclusions have never been generally distributed on a corporate-wide basis. While the PAS distribution list is limited, the data are always available for those individuals in the Corporation who need such information. In fact, we routinely provide interested staff throughout the corporation with specific information to specific questions, e.g., passengers' evaluations of some Amtrak experiences.

Finally, it should be noted that the PAS serves as a tracking survey to measure passenger demographics, travel habits and trip evaluations on a seasonal basis systemwide. The results, therefore, are always useful and the data never becomes outdated.

COMPLAINTS

Mr. CARR. As you know, we have also been concerned about the rising number of complaints received regarding Amtrak service. As we noted in last year's committee report, passenger complaints rose over the past three years while ridership remained essentially constant. I would think that those complaints would provide vital input to your marketing program, because an unhappy customer is usually not a repeat customer.

To what extent is there a linkage between your office receiving complaints and your marketing office?

[The information follows:]

We agree that customer complaints (and compliments) are a vital source of information. All customer complaints are circulated to the appropriate departments within Passenger Marketing and Sales, and other relevant departments. On issues affecting marketing policies or services such as schedules, smoking policy, advertising, fares, etc., marketing management reviews them carefully and determines if action is appropriate either immediately or as a part of longer term programs. Naturally our Marketing Department is concerned about any increase in the number of complaints about service levels. The responsibility for correcting these deficiencies rests, of course, with the responsible line operating departments.

Mr. CARR. The employee survey concluded that "the primary customer-related information people in the field see is in the form of complaints. Because the organization attempts to reduce complaints, attempts are made to suppress them rather than to view them as opportunities for serious problem-solving."

Why would so many of your employees have this view of how you handle complaints?

[The information follows:]

Amtrak receives many types of passenger comments: commendations on employees or services offered, inquiries involving policy issues, complaints on equipment or train performance, requests for information, etc. Each passenger letter receives a personal response, a copy of which is sent to the appropriate department head. While some issues can be handled directly by the department head, others are referred to the field for either action, input or information. We have made a concerted effort to treat all passenger comments constructively and to actively involve all levels of employees by communicating to them the views of our passengers and encouraging them to take appropriate action.

YIELD MANAGEMENT PROGRAM

Mr. CARR. For many years, Amtrak has used a "yield management" program to pull in additional revenues where marketing data estimates a high price elasticity. The French TGV has a similar program. In France, though, they make available to the customer a color-coded brochure which shows the price differences by route and time, enabling the customer to decide the relative value of price and time. With Amtrak, if I call and ask for a price quote, then get a lower quote from an airline, I am likely to fly. Amtrak doesn't generally tell me if a cheaper fare was available at a different time. In this scenario, Amtrak would unnecessarily lose revenue.

Should Amtrak's marketing program provide more data to potential customers, like they do on the TGV?

[The information follows:]

The French National Railroad will be eliminating their TGV fare calendar system and will be implementing a new computerized reservation/yield management system known as SOCRATE which will begin operation this summer and will be fully operational on all TGV trains by 1994 or 1995. This new system will use yield management for the TGVs in a manner very similar to that used for reserved coach seating on Amtrak's long distance trains.

SOCRATE will dynamically reallocate the availability of seats at various fare levels, based on the level of demand that the system sees at various points prior to departure. Under this kind of system, it is much more practical and reliable for the customer to call a reservation sales office rather than to rely on a printed tariff schedule which can become outdated and is insensitive to a fast changing and competitive market.

Amtrak's reservation agents are trained to offer customers optional departures when lower fares might be available and special features have been programmed into Amtrak's ARROW reservations system to provide on-line assistance to agents for this purpose.

Mr. CARR. To what extent does your marketing program look for new markets of opportunity versus developing your existing markets?

[The information follows:]

We continually pursue new markets of opportunity. Our Ski Amtrak program, which is designed to build long-distance ridership during the off peak January-March period, was launched in 1990 and we have experienced double digit revenue growth each year since then. Our Air-Rail Travel Plan was introduced in 1991 to tap the high potential market of domestic travelers who may be interested in long-distance train travel but who do not have the time to take round trip rail vacations. Air-Rail packages currently generate more revenue than any other of our tour product categories. Last year we launched a new Golf Amtrak program which has been met with initial success.

We also continually look for opportunities to develop the potential of existing markets such as families and senior citizens with targeted marketing efforts.

Mr. CARR. I just might pause at that point to say that at some point when the rush of this appropriations season is over we can have a meeting, I hope, on Amtrak and for that matter transit marketing. I think the two have something to do with one another.

Mr. CLAYTOR. We would like to do that because I am satisfied that we have the strongest marketing organization in the industry, and it is generally recognized as such by our competitors, the airlines. And we would be happy to sit down and go over that with you.

PASSENGER CHARACTERISTICS

Mr. CARR. In that regard, however, I did want to ask a couple of questions.

Do you have an overall percentage, a rule of thumb, about how many of your travelers travel to schedule or how many travel to price?

Mr. NORMAN. Yes, sir.

We do a passenger assessment survey, and we have about 15 years worth of data which we regularly update. We ascertain from them, what are the reasons why they selected Amtrak versus another mode.

And what we find is roughly 40 to 50 percent of the people say they made the decision because of convenience. That has to do with comfort, reliability, and other factors that go into that.

The next highest number has to do with what they call the uniqueness of the train, that is why the train is differentiated, the reasons for being able to walk around, see things, to view the country.

And the third factor is price.

In making these kinds of determinations, though, I have given you a glittering generality, but it differs by trains and routes. On the short distance trains, the biggest determinant would be price. On the longer distance the other factors come into consideration.

Therefore, we build our marketing plans based upon what the needs and expectations of our customers are. But we use a more targeted approach to appeal to what those particular interests are and emphasize them.

Mr. CARR. Intuitively, I would think that the people who travel to schedule rather than price are pretty much the business people in the Northeast Corridor?

Mr. NORMAN. In general, that is true.

Within the overall Amtrak system, we divide our travelers up into many groups. But if I give you the two largest, it would be those traveling for discretionary reasons, visiting friends and relatives; and those who travel for business.

Mr. CARR. What is the ratio or percentage?

Mr. NORMAN. System-wide, it is roughly about 70 percent discretionary and 30 percent business.

However, in various corridors, for example in the Northeast Corridor or Los Angeles-San Diego or Chicago-Detroit or Chicago-St. Louis, it varies significantly. You get the reverse where you have 70 to 80 percent of the people traveling for business purposes.

But in terms of our experience for the year, what we are finding is our business travel is up fairly significantly; and we are trying to push discretionary travel more.

Mr. CLAYTOR. Business travelers tend to be short distance, of course, much shorter distance than discretionary travelers, most of whom are long distance travelers.

Mr. CARR. Right. Do you keep statistics that are comparable to what airlines keep in terms of available seat miles, revenue passenger miles, or yields?

Mr. NORMAN. Yes, sir.

Mr. CARR. The same kind of analysis?

Mr. NORMAN. Yes, sir.

PASSENGER SURVEYS—TENTH TICKET SAMPLING

Mr. CARR. All right.

I asked the question before, and I think this was during our other hearing, but I will just throw it out again: The Department of Transportation collects every tenth ticket from the airlines. RSPA takes the data and analyzes it.

Do you see any barrier to supplying Department of Transportation with every tenth ticket?

Mr. NORMAN. Mr. Carr, you asked that, and we do look into that and receive that data and use it and analyze it all the time.

We are now looking at what the cost is to do the tenth ticket, and we are prepared to discuss this with you or your staff. But we are looking into it since you asked the question. We do look at the information. We have it available.

We have another sampling process, not one in ten. But we could make a transition to one in ten to make it comparable to what the others are doing if there was value in that.

Mr. CARR. Do you have any of idea what that would cost?

Mr. NORMAN. That is what the study is going to ascertain, and we should have that shortly.

[The information follows:]

Amtrak can sample its tickets and provide a 10 percent sample. However, approximately one-half of Amtrak's passengers are traveling on unreserved trains.

Consequently, these tickets do not reflect specific train number or date of travel, but they do identify revenue and origin and destination.

While we are still examining some of the details, a 10 percent sample of ticket sales would cost approximately $50,000 to produce.

Mr. CARR. We hope you get it before this budget cycle is out. I would like to see that instituted. I have talked to the Secretary about it and the folks at RSPA about it. And I think it provides a much more complete database on what city pairs people are interested in, why and where.

I think it would help the Bureau of Transportation Statistics among others, Volpe Center, RSPA, to do the analysis we are going to have to do if we are going to move into this high-speed rail regime.

REVENUES

Mr. CARR. Since 1988, Amtrak revenues have risen faster than either passenger miles or ridership. In other words, you have raised your financial yield per passenger. However, yield eventually reaches a point of diminishing returns.

Has Amtrak reached that point?

[The information follows:]

While economic theory tells us that there is a point where higher prices will generate diminishing returns, the complexities of the marketplace and the many services Amtrak offers make pricing a complicated and reiterative process. Since Amtrak has multiple types of services in multiple markets, each with their own unique market conditions, adjustments are continuously made to maximize revenue. A host of economic and competitive variables can impact pricing. Further, yield is affected not only by prices, but also by the mixture of services purchased, such as more or less high yielding first-class, Metroliner Service, or Auto Train services. Each of Amtrak's many services are analyzed and priced differently, depending on the marketing environment at the time. Yield Management enables us to manage prices in the most market-sensitive way, so that we reach the optimal goal of maximizing revenue, given the current external environment.

Mr. CARR. If so, what initiatives will be needed to bring in new passengers?

[The information follows:]

While continued effective pricing will be important to Amtrak's future, significant improvements to our revenue base will depend largely on the ability of Amtrak to invest in the future through increased capacity and improved equipment. Amtrak is behind the airline industry in its buildup of capacity; while our seat miles grew by 30 percent in the past 10 years, domestic airline seat miles grew by twice that amount. New equipment will allow us to operate more efficiently with more capacity on existing services and it will allow us to expand service to new markets.

However, we do not rely only on capacity for added revenues. Even with our lack of capacity we have been able to maintain revenue growth that has generally outpaced the domestic airline industry. We employ flexible pricing and inventory tools, targeted promotional efforts, and promote the use of our travel agent distribution network to produce revenue growth in the face of capacity limitations.

COMMUTER OPERATIONS

Mr. CARR. For the first time in history, in 1992 Amtrak carried more commuter passengers, 21.3 million, than inter-city travelers, 20.3 million. Since 1988, Amtrak's inter-city ridership has remained virtually unchanged while commuter ridership has risen by 31.8 percent.

Given the rapid growth of your commuter operations, have you made any organizational changes at Amtrak to provide increased management attention or focus for this important area of your operations?

[The information follows:]

Each commuter operation has its own dedicated management team to supervise the day-to-day operations of the service and to act as a liaison with their counterparts in the controlling commuter authority. During the past year, a concerted effort has been made to give Amtrak's managers in charge of the commuter operations greater autonomy in dealing with the commuter authorities.

Mr. CARR. At the headquarters level, do you manage your commuter operations any differently than your inter-city operations?

[The information follows:]

While the headquarters staff provides functional support to the commuter management teams operating the service, granting greater autonomy to the field managers has reduced the overall headquarters management requirements. This is the primary difference between headquarters involvement with intercity operations and commuter operations. We have implemented quarterly meetings between Amtrak's senior management and some of the commuter authorities. This relationship has worked well in addressing the concerns of the commuter authorities.

Mr. CARR. What additional commuter services do you expect to compete for over the coming year?

[The information follows:]

The commuter services for which Amtrak expects to compete during the coming year include:

(1) Tri-Rail Commuter Services (West Palm Beach-Miami, FL)
(2) San Diego-Oceanside (North San Diego County)
(3) San Francisco East Bay Service—(Contra Costa, Alameda and Solano Counties)
(4) Dallas
(5) Seattle

AMTRAK BUS SERVICE

Mr. CARR. There is one particularly hot point, from a controversial point of view, that I would like to ask.

Amtrak runs a bus service in some locations to feed passengers to its inter-city rail network. We received a letter from the President of Greyhound claiming that Amtrak service is unfairly competing against inter-city bus service provided by that company.

Could you give us an overview of the Amtrak bus component and describe what criteria you use to determine when Amtrak needs to provide bus service as opposed to contracting with someone who is already in the business?

Mr. GILLESPIE. Mr. Chairman, I have not seen the letter that they have written to you, but I have heard testimony that they gave before the Senate Commerce Committee recently. And as I understand their complaint, it was about the volume of bus service that is operated in California that connects with our train service there. That is all done by the State of California, which, as you probably know, has been pretty aggressive about starting new rail service; and it has actually been very helpful too. They contract for bus services to connect with our trains to boost the ridership.

They put it out for open bid. And it is my understanding that Greyhound, which has bid on this, has not come in as the low bidder and didn't get it. So the buses that run in California have Amtrak written on the side of them, and it may be perceived by them that they are our buses; but they are contracted by the State, not us, for connection with our trains.

We do have some buses, and I think Mr. Norman can tell you about them.

Mr. NORMAN. Mr. Carr, we have many areas in which there is no track for access or egress. So we use what is a thruway bus service that allows people to come from adjoining areas to join where our track is.

I think that we have to put it into perspective. For example. For the first six months of this year, we carried roughly 11 million passengers. Of that number, only about 80,000 were involved in our thruway bus service. So it is not a large part, but it is an important part in terms of where people end up and to be able to get them to local areas.

For example, in Florida we go to one particular area, and we have a number of business buses that go to surrounding communities to get them to a specific point. That is the system we use. It is a small part of our business but a very important part in terms of access and egress.

Mr. CLAYTOR. Could I make it clear that those buses don't carry general passengers. They are not competing with Greyhound. No one can get on that bus unless he has a thru-Amtrak ticket on the connecting train. That is the way it is done.

They are contracted for. They are bus companies that we contract with, just as California does.

Mr. CARR. You don't own any buses?

Mr. CLAYTOR. No, we don't. We put out for bids for a bus to provide Amtrak service from Tampa, Florida, to Bradenton, Sarasota, and Fort Myers daily for each train.

They have bid on that, and they get the buses and the buses have Amtrak destination signs on them and sometimes on the side. But they are not Amtrak-owned buses.

Mr. CARR. Does it say, at any point, on the side of the bus that this bus is owned and operated by whoever?

Mr. CLAYTOR. By the contractor.

Mr. CARR. "Ma and Pa Bus Companies," or anything like that?

Mr. CLAYTOR. They vary. Some are fairly large bus companies. But they are local.

Mr. CARR. I am thinking of the notification. We had this problem in the airlines where people would have thought that dealt with an express or one of those things was actually owned by the airline, they were using the logos but it was a separate airline. Until people got used to the notion that these were independent operators, we had mistaken customers who vented their anger at the wrong person and then got more angry about having been misled.

You can put the Amtrak logo on the side of the bus, but I hope you are not doing it in a way that misleads people into thinking that you operate the bus as apparently the CEO of Greyhound does.

Mr. CLAYTOR. But since we contract for the buses, they are only for Amtrak passengers. The contractor merely provides the service at our direction.

Mr. CARR. Now, these buses in California, they are under contract to the State of California then?

Mr. GILLESPIE. That is correct.

Mr. CARR. Not under contract to you?

Mr. **Gillespie**. That is correct.

Mr. **Carr**. You take whatever they supply you?

Mr. **Gillespie**. That's right. They help with ridership because they bring in people from various destinations to our trains and trains frequently supported under 403(b) by the State in part.

Mr. **Carr**. Okay.

[Additional information provided:]

Amtrak's Thruway bus service consists of several different variations each of which involves a different level of Amtrak financial involvement. These variations are:

- Dedicated Thruway Bus: bus chartered directly by Amtrak for service to an off-line point. Amtrak pays for the bus and retains all revenue paid by the passenger for the additional distance traveled.

- Non-dedicated Thruway Bus: private bus company operates feeder link completely at its risk. Amtrak and bus company negotiate a per passenger rate for passage. Tickets collected by the bus company are submitted back to Amtrak for payment. Amtrak pays the bus company from funds collected from the passenger for the additional distance traveled.

- California Network: Amtrak at the direction, and on behalf, of the state of California charters buses to operate on a California designated network. Amtrak collects all revenues for journeys involving the bus links and credits California for revenues the passenger pays for riding the bus mileage. California pays Amtrak for the cost of operating this bus network less the revenues paid by the passengers for riding the bus leg.

- Interline: Amtrak and private motor coach company sign a marketing agreement whereby Amtrak sells to passengers the bus company's published fare for travel to off-line points on regularly scheduled bus trip. Amtrak receives a 20 percent commission for such sales.

The overall goal of Amtrak Thruway bus service is to provide feeder service to significant off-line cities in order to increase ridership and revenue on the trunk rail network thus reducing Amtrak's need for federal subsidy.

Several criteria are used to initiate connecting bus service:

1. Provide service to a major metropolitan area prohibitively expensive to serve directly by rail (i.e. Oakland-San Francisco, Tampa-St. Petersburg);

143b

2. Provide service to major points where rail service has been suspended due to rerouting of trains (i.e. Ft. Wayne-Garrett,Indiana);
3. Provide service to a major city generating additional revenue where traffic volume does not warrant train service but allows a profitable bus feeder route;
4. Feeder routes initiated by private bus carriers as a profitable addition to their existing traffic on a regularly scheduled run;
5. State initiated and funded routes.

Amtrak funded buses are generally in categories 1 and 2 with a few in category 3. The majority of category 3 and all of category 4 are at the financial risk of the private motorcoach carriers. Category 5 buses are fully funded by the states.

It should be noted that all of the Amtrak funded bus runs incrementally break even or are profitable. The number of passengers on each bus run is large enough that the revenue paid by the passengers for travel to the off-line city more than offsets the cost of operating the bus.

CALIFORNIA BUS NETWORK

Mr. CARR. According to Greyhound, Amtrak is now one of the largest bus operators in the State of California and in fact runs more miles of bus service in that State than rail service.

Why does Amtrak need such an extensive bus network in California?

[The information follows:]

We have no statistics on Greyhound or other bus operators in California so we cannot comment on Greyhound's assertion that Amtrak is one of the largest bus operators in the state of California.

The feeder bus service in California is operated at the behest of the state of California. The routes, and points served are those chosen by the state of California. The state's extensive feeder bus network provides service to all regions of California, adds substantial incremental ridership and revenues to the 403(b) train routes and on many routes serves as a traffic building precursor to eventual rail service. Almost all public transit advocates favor a coordinated intermodal network of the kind that California has established.

BUS ROUTES

Mr. CARR. I can understand why Amtrak might need to operate a local collector system to feed its rail system. It is less clear why you need to operate a long-distance bus system. But apparently you operate bus service Oakland to Los Angeles, 385 miles; Boise to Reno, 430 miles; and San Diego to Los Angeles, 120 miles.

How do you justify these long distance bus routes, when Greyhound currently offers equivalent service using the interstate system?

[The information follows:]

The majority of Amtrak's feeder routes are relatively short. However, some in the state of California are longer but are operated at the behest of the state of California. Oakland to Los Angeles is not a bus route but a train-bus route. The bus portion is 103 miles between Bakersfield and Los Angeles where no effective rail route is available. The San Diego-Los Angeles buses provide connections to the San Joaquins late at night after the last San Diegan has departed. Boise to Reno is a pending interline agreement with Boise-Winnemucca Stages initiated by Boise-Winnemucca Stages. The proposed agreement is similar to the interline agreement Amtrak has with Greyhound Lines between Indianapolis and Nashville (288 miles). Amtrak sells the published bus carrier rate between the two cities and receives a 20 percent commission. These interline buses are regularly scheduled bus runs which carry Amtrak connecting riders as well as regular bus passengers.

While Greyhound operates schedules in these markets, the service is not equivalent. Greyhound schedules do not serve the rail station, schedules are not coordinated with rail schedules and connections are not guaranteed. Amtrak has Thruway Agreements with Greyhound in some markets and has proposed additional markets to Greyhound. However, in scheduling their internal bus-to-bus connections and schedules Greyhound has found that connections to the train are often precluded. This is why the majority of Thruway routes are with independent carriers who have greater schedule flexibility.

Mr. CARR. You run both bus and train service between Sparks, Nevada, and Sacramento, California, according to Greyhound; and the bus service is faster.

Is this accurate? And if so, do you believe your bus service is competing against your rail service in locations such as this?

[The information follows:]

The Thruway bus service between Sparks, Nevada and Sacramento, California is sponsored by the state of California. This service is a feeder to the Capitol Corridor (Sacramento-San Jose) providing connecting service from the Sierra foothill and mountain communities of Roseville, Auburn, Colfax, Grass Valley, Nevada City, Soda Springs and Truckee to the Bay Area. It is also viewed as a precursor of additional rail service to these communities. The short extension (35 miles) to Reno from Truckee was seen as logical given the large destination Reno represents and since Reno would be the end-point for future Bay Area-Reno rail service.

The combined Capitol Corridor trains and their coordinated buses to Reno supplement the California Zephyr by providing additional frequencies on the route. The schedules are several hours before or after the schedule of the Zephyr. One aspect of yield management is often the Zephyr has limited seat availability over short distance peak segments (Sacramento-Reno) to protect higher revenue long-distance availability (Oakland-Chicago). With the supplemental capacity of the bus/train Capitol Corridor this allows Amtrak to retain its presence in the short-distance market while maximizing long-distance revenues on the California Zephyr.

Mr. CARR. I understand that the State of California pays the direct costs of Amtrak bus service in that State.

Do they cover all relevant costs associated with this service, including marketing, ticket personnel, baggage handling, and similar activities?

[The information follows:]

The state of California pays all identifiable costs of operating the California bus network. In addition as part of the 403(b) charges for state supported trains, ten percent is added to cover general overhead. Since all connecting bus passengers at some point ride a state 403(b) train there is a contribution to general Amtrak overhead. (Those costs that cannot be allocated to a specific service.)

In addition, while California's feeder bus network is designed to connect to the state's 403(b) trains, they also provide connections to Amtrak's long-distance trains. As a result connecting passengers to Amtrak's long-distance trains (i.e. Santa Rosa-Chicago) utilize California funded connecting service while Amtrak accrues the revenue for the entire journey to Chicago. These additional passengers to Amtrak's long-distance trains generated by the California feeder bus network increases these trains ridership and revenue and reduces the level of federal subsidy.

THRUWAY BUS ROUTES

Mr. CARR. For the record, please provide a listing of all thruway bus service currently operated by Amtrak, the associated mileage between city pairs, and the number of buses operated daily on each route.

[The information follows:]

Amtrak Thruway Bus Routes

Route	Miles	Round Trip/ Per Day	Status
Waterloo, IN - Ft. Wayne, IN	20	2	Amtrak funded
Garrett, IN - Ft. Wayne, IN	20	2	Amtrak funded
Lansing, MI - Toledo, OH	149	1	Amtrak funded
Charlottesville, VA - Richmond, VA	69	2*	Amtrak funded
Roanoke, VA - Clifton Forge, VA	45	2*	Amtrak funded
Tampa, FL - Clearwater, FL	25	2	Amtrak funded
Tampa, FL - Treasure Island, FL	70	2	Amtrak funded
Tampa, FL - Ft. Myers, FL	126	2	Amtrak funded
Newport News, VA - Virginia Beach, VA	41	1.3	Amtrak funded
Winter Haven, FL - Tampa/St. Petersburg, FL	66	3	Amtrak funded
New Orleans, LA - Baton Rouge, LA	80	2	Regularly scheduled bus run
Battle Creek, MI - Port Huron, MI	159	1	Regularly scheduled bus run
Kalamazoo, MI - Grand Rapids, MI	52	.5	Regulary scheduled bus run
Springfield, MA - Burlington, VT	236	1	Amtrak funded
Boston, MA - Hyannis, MA	81	10	Regularly scheduled bus run
Buffalo, NY - Jamestown, NY	63	2	Regularly scheduled bus run
Chicago, IL - Madison, WI	140	3	Regularly scheduled bus run

Route	Miles	Round Trip/ Per Day	Status
Minneapolis, MN - Duluth, MN	154	1	Regularly scheduled bus run
Galesburg, IL - Springfield, IL	119	1	Regularly scheduled bus run
Omaha, NB - Kansas City, KS	198	1	Motor carrier funded
Dallas, TX - Houston, TX	245	1*	Motor carrier funded
Flagstaff, AZ - Grand Canyon	79	1	Regularly scheduled bus run
Flagstaff, AZ - Phoenix, AZ	146	3	Motor carrier funded
Cheyenne, WY - Borie, WY	10	2	Amtrak funded
Ogden, UT - Salt Lake City, UT	36	2	Amtrak funded
Seattle, WA - Vancouver, BC	144	2	Motor carrier funded
Seattle, WA - Ellensurgh/ Spokane, WA	292	1	Regularly scheduled bus run
Spokane, WA - Lewiston, WA	117	1	Regularly scheduled bus run
Oakland, CA - San Francisco, CA	10	9	Amtrak funded

* Operates tri-weekly

CALIFORNIA CONNECTING BUS SYSTEM

SYSTEM SUMMARY – Effective May 2, 1993

Route	Name (Contractor) Segments	Segment Miles	Number of Daily Trips	Daily Miles	Total Miles	Daily Bus Requirements	Route Miles
1	**Los Angeles Basin (Antelope Valley Bus)**						
	1-A Bakersfield-LA-Torrance	149	6	894			
	1-A Bakersfield-Glendale-Pasadena-LA-Torran	167	2	334	1228	(Rte 1A) 3	
	1-B Bakersfield-LA-Disneyland	154	4	616			
	1-B Bakersfield-LA-Whitter-San Diego	250	2	500	1116	(Rte 1B) 3	
	1-C Bakersfield-Van Nuys-Westchester	120	6	720	720	(Rte 1C) 3	
	1-E Bakersfield-Glendale-Pasadena-LA	130	5	650			
	1-E Bakersfield-Glendale-LA	116	1	116	766	(Rte 1E) 3	
	1-N Bakersfield-LA-Long Beach-San Diego	257	2	514	514	(Rte 1N) 2	
	Total Route 1				**4344**	**14**	713
2	**Tulare County (Orange Belt Stages—Mixed Mode)**						
	Porterville-Visalia-Hanford	54	2	108			
	Visalia-Hanford	26	8	208			
	Total Route 2				**316**	**1**	54
3	**Sacramento Valley (All West Coachlines)**						
	Stockton-Sacramento-Redding	222	4	888			
	Stockton-Sacramento-Davis-Redding	241	1	241			
	Sacramento-Redding	174	1	174			
	Stockton-Sacramento-Davis	62	5	310			
	Stockton-Sacramento-Roseville	67	2	134			
	Total Route 3				**1747**	**3**	260
4	**South Coast Supplemental (Antelope Valley Bus)**						
	Ventura-Van Nuys-Los Angeles	88	1	88			
	Santa Barbara-Van Nuys-Los Angeles	117	3	351			
	Santa Barbara-Los Angeles	111	1	111			
	Santa Barbara-Simi Valley-Van Nuys-Los Angel	122	1	122			
	Total Route 4				**672**	**2**	122
6	**South Bay (Peninsula Charter Lines)**						
	Stockton-San Jose	81	8	648	**648**	**4**	81
7	**North Bay/Redwood Empire (Amtravel International)**						
	Martinez-Vallejo-Santa Rosa	57	1	57			
	Martinez-Napa-Petaluma-Santa Rosa	67	1	67			
	Martinez-Napa-Calistoga-Santa Rosa	75	7	525			
	Martinez-Napa-Calistoga	54	1	54			
	Martinez-Napa-Petaluma-Healdsburg	83	2	166			
	Martinez-Petaluma-Willits	140	1	140			
	Martinez-Napa-Petaluma-Willits	153	1	153			
	Martinez-Petaluma-Willits-Arcata	288	1	288			
	Martinez-Napa-Petaluma-Willits-Arcata	301	1	301			
	Total Route 7				**1751**	**4**	349
9	**Barstow/Las Vegas (Orange Belt Stages—Mixed Mode)**						
	Bakersfield-Barstow-Las Vegas	284	2	568	**568**	**1**	284
10	**Bakersfield-Santa Barbara (Orange Belt Stages)**						
	Bakersfield-Oxnard-Santa Barbara	156	4	624	**624**	**2**	156

CALIFORNIA CONNECTING BUS SYSTEM

SYSTEM SUMMARY – Effective May 2, 1993

Route	Name (Contractor) Segments	Segment Miles	Number of Daily Trips	Daily Miles	Total Miles	Daily Bus Requirements	Route Miles
12	**Bakersfield-Antelope Valley (Orange Belt Stages–Mixed Mode)**						
	Bakersfield-Mojave-Palmdale	96	2	192			
	Bakersfield-California City-Mojave-Palmdale	121	2	242			
	Total Route 12				434	2	121
14	**Antelope Valley-Glendale (Antelope Valley Bus)**						
	Lancaster-Glendale	74	4	296	296	1	74
15	**Yosemite (Via Adventures–Mixed Mode)**						
	Merced-Yosemite	82	4	328	328	2	82
17	**Central Coast (Orange Belt Stages)**						
	Santa Barbara-San Luis Obispo-Paso Robles	146	2	292			
	Santa Barbara-San Luis Obispo	115	2	230			
	Total Route 17				522	2	146
18	**Central Coast-Valley (Orange Belt Stages–Mixed Mode)**						
	Hanford-Paso Robles-San Luis Obispo	123	2	246	246	1	123
19	**Inland Empire/Coachella Valley (Orange Belt Stages)**						
	Bakersfield-Pomona-San Bernardino-Indio	255	2	510			
	Bakersfield-Pomona-San Bernardino	176	3	528			
	Bakersfield-Pasadena-Pomona-San Bernardino	178	1	178			
	Bakersfield-LA-Pomona-San Bernardino	192	2	384			
	Total Route 19				1600	4	257
20	**High Sierra/Sierra Foothill (All West Coachlines)**						
	Stockton-Sacrament0-Nevada City	113	4	452			
	Sacramento-Nevada City	65	4	260			
	Stockton-Sacrament0-Sparks	187	1	187			
	Sacramento-Sparks	139	3	417			
	Sacramento-Roseville	19	1	19			
	Stockton-Sacramento-Davis-Roseville	91	1	91			
	Total Route 20				1426	4	215
21	**Monterey Bay (Peninsula Charter Lines)**						
	San Jose-Gilroy-Salinas-Monterey	79	4	316			
	San Jose-Santa Cruz-Salinas-Monterey	87	2	174			
	Total Route 21				490	(a)	87
22	**Santa Cruz (Peninsula Charter Lines)**						
	San Jose-Santa Cruz	32	22	704	704	2	32
23	**Lake Tahoe (Amador Stage Lines)**						
	Sacramento-Carson City	142	2	284			
	Sacramento-Stateline	116	2	232			
	Sacramento-Placerville	49	2	98			
	Total Route 23				614	2	142
24	**tuolumne County (Peninsula Charter Lines)**						
	Stockton-Riverbank-Twain Harte	91	2	182	182	(a)	91
	SYSTEM TOTAL				17512	51	3389

(a) - Route 21 & 24 are through-routed with Route 6 and use same buses.

SMM/DOR 5/7/93

STATE-SUPPORTED 403 (B) SERVICE

Mr. **Carr.** Does labor protection operate the same way on the 403(b) routes?

Mr. **Claytor.** I think so. I think so. They are our employees, you see. They are still our employees.

Mr. **Carr.** Okay.

Mr. **Claytor.** Not on commuters?

Mr. **Carr.** When you make an agreement with the State to get a 403(b) train, what kinds of assurances do you require from the State in terms of long-term commitment to that train?

Mr. **Gillespie.** The one thing is, much like the Federal Government, we can't make commitments beyond a year. The State legislatures that provide the funds for the State to enter into these agreements do not allow the States to make agreements beyond a year either. So we have one-year-at-a-time agreements with them.

Mr. **Carr.** Well, okay. I guess that answers the question.

Mr. Claytor, your fiscal year 1994 budget includes a separate request of $10 million for new state-supported train service authorized under Section 403(b). For fiscal year 1993, Amtrak was planning to spend $12.1 million for 403(b) routes.

Is the $10 million requested in addition to other funds in your operating budget? Or is that all you intend to spend on state-supported service in fiscal year 1994?

[The information follows:]

This $10 million is in addition to other funds in our operating budget and was authorized under PL102–388 to provide funding for *new* 403(b) state supported services started subsequent to October 1, 1992. This funding would allow Amtrak to initiate new 403(b) services without jeopardizing the progress toward self-sufficiency by funding the deficit not covered by state payments. Additionally, these losses would be excluded from our future revenue to cost ratio computations.

Mr. **Carr.** According to your request, these funds would be for new service only.

Can you give us any indication of the routes which might be funded?

[The information follows:]

There are many outstanding requests for new service. Routes which may be initiated in fiscal year 1994 include New Orleans-Mobile and Boston-Portland.

Mr. **Carr.** What criteria will a State have to meet in order to receive these funds?

[The information follows:]

Amtrak recommends that the 403(b) minimum requirements apply which would be that the states pay for 45 percent of short-term costs the first year and 65 percent of short-terms costs thereafter. Amtrak would provide equipment if available and the state and local communities would provide right-of-way improvements and station facilities.

RAIL PASSENGER SERVICE ACT

Mr. **Carr.** The Rail Passenger Service Act prohibits the States from contracting with entities other than Amtrak for the provision of rail passenger service. Because of its financial condition, Amtrak has been unwilling to start new service except under very stringent conditions.

Mr. Lindsey, why shouldn't we allow a State to contract with a rail company other than Amtrak for state-supported rail service, as long as they meet FRA safety standards?

[The information follows:]

The Rail Passenger Service Act prevents a third party from operating a service without Amtrak consent over the route on which Amtrak provides regularly scheduled service under contract with a railroad. This provision is one way of assuring the coordination of multiple rail service in a single market.

NEW INTER-CITY SERVICE

Mr. CARR. Are you planning any new inter-city service this year?

Mr. NORMAN. The only services that we have—

Mr. GILLESPIE. North Carolina.

Mr. NORMAN. In which States work with us to do it. And the North Carolina train that Mr. Price was talking about earlier is the only one being seriously considered at this time, sir.

Mr. CARR. Okay.

Mr. Claytor, what new routes has Amtrak started over the past year, and are they all generating a profit?

[The information follows:]

In fiscal year 1992 (December 1991), the only new route Amtrak started was the state-supported 403(b) Capitol Corridor service in California between San Jose and Sacramento/Roseville. The fiscal year 1992 results, which represent the first nine months of service, reflect a long-term avoidable loss of $436,000. This route does, however, show a short-term avoidable profit of $731,000 and a short-term avoidable profit per passenger mile of 3.6 cents in fiscal year 1992.

In fiscal year 1993 (April 1993), the route of the tri-weekly Los Angeles-New Orleans Sunset Limited was extended to Miami. Initial results are not yet available for the service, but the extension was forecasted to increase the Sunset Limited's long-term avoidable loss by an additional $1.1 million.

Mr. CARR. Mr. Claytor, last year you told us that new routes could be started with your older trains and locomotives as new replacement equipment comes available. Over the next 18 months, a great deal of new rolling stock is planned to be delivered.

Does Amtrak intend to start new service with the older equipment?

[The information follows:]

Over the next 18 months, Amtrak will receive the majority of its 140 car Superliner order, with the first car delivered in mid-1993 and the last car delivered by the end of 1995. The first Viewliner car is expected to be delivered in early 1995. No current equipment will be released until mid-1994, as the initial Superliner cars delivered will provide additional capacity on western long-distance trains.

When sufficient numbers of single-level cars become available, Amtrak plans to begin daily operation of the Cardinal. This could happen as early as the fall of 1994, provided current delivery programs remain on schedule. Other planned service expansion includes 3 round-trips Boston-Portland, ME. Potential new services include service to Wisconsin (Chicago-Green Bay/Madison) and Iowa (Chicago-Omaha). In addition, released equipment may be used to replace Turboliner trains, allowing us to provide additional capacity and greater operating efficiency for Empire Service trains.

Mr. CARR. Mr. Claytor, given Amtrak's current financial condition and your goal to reach operating self-sufficiency, what conditions must be present for Amtrak to take on new inter-city service?

[The information follows:]

It is becoming apparent that the lingering effects of the recession have set back our self-sufficiency timetable. Also, our capital funding continues to run substantially below the levels stated in our plan as necessary to support revenue enhancing and cost reducing investments.

Our goal to continually reduce Amtrak's operating subsidy requires that we be very cautious in initiating any new intercity services. We would nonetheless consider initiating service which is forecast to be self-sustaining, if capital for facilities was provided by a state or local authority.

We would also cooperate with state and local governments to add potential 403(b) services, if such services meet stated financial criteria, with the Amtrak share of annual long-term avoidable loss being less than $1 million, if the loss is not counted against our self-sufficiency commitment, and if the states are willing to provide any necessary track and infrastructure improvements.

Mr. Carr. Mr. Lindsey, would FRA agree with Amtrak's assessment?

[The information follows:]

FRA agrees that Amtrak has had financial setbacks as a result of the recession and that this has postponed the time when Amtrak can attain operating self-sufficiency. FRA further agrees that new services should be taken on with great caution, but only if any projected losses are to be covered by States and the bulk of the capital is covered either by the States or by FRA's proposed new high-speed rail assistance program.

Mr. Carr. Mr. Claytor, Amtrak issued a comprehensive report in June 1992 regarding the potential to initiate rail service in areas not presently served.

Did you find any routes which would break even financially?

[The information follows:]

In the July 6, 1992 report titled *An Evaluation of Service to Areas Not Presently Served,* two routes were forecast to have the potential to break even during their first year of operation: Minneapolis-Kansas City and the extension of the St. Louis/Kansas City Mules to Omaha.

Service between Minneapolis and Kansas City via Des Moines would directly tie in the growing populations of Minneapolis and St. Paul with Amtrak's popular long distance services through direct connection at Chariton, Iowa to the Chicago-Denver-Oakland California Zephyr and at Kansas City to the Chicago-Albuquerque-Los Angeles Southwest Chief.

Amtrak's St. Louis/Kansas City Mules operate between St. Louis and Kansas City. Extension of this service to Omaha would, besides providing direct service between Omaha and St. Louis, directly connect the major population centers of St. Louis and Kansas City with Denver, Salt Lake City, Las Vegas, Portland, Seattle, and Oakland/San Francisco via cross-platform connections to the California Zephyr at Omaha.

Both of these routes would provide extensive connections to Amtrak's long-distance services. It is as a result of this connecting revenue that these services are projected to break even.

MANDATORY PASSENGER RAIL SERVICE PAYMENTS

Mr. Carr. Mr. Lindsey, the administration's request includes funding for Amtrak's mandatory passenger rail service payments as part of the Amtrak operating grant rather than in a separate appropriation.

Why is the administration opposed to having a separate appropriation for this purpose?

Mr. Lindsey. It is principally a matter of accounting, Mr. Chairman. The administration feels that, as an accounting matter, it should be in the operating grant category rather than stated separately. However, there is no objection, for purposes of calculating Amtrak's' revenue to cost/benefit, to excluding the mandatory payments.

Amtrak has argued, principally, in trying to separate the two that the mandatory payments really don't reflect Amtrak's true subsidy. And for purposes of disclosing how well Amtrak is doing, the Administration agrees that that revenue-to-cost ratio should be calculated excluding the excess mandatory payments.

STATE SUPPORTED 403 (B) TRAINS

Mr. CARR. I want to skip back to 403(b) issues relating to what you just said, Mr. Lindsey. Last year's Amtrak reauthorization stipulated that Amtrak's costs to operate or maintain 403(b) service begun after September 30 would not count against Amtrak's financial report card.

Would Amtrak support the new service if we provided additional funds but directed that they count against your financial performance?

Mr. CLAYTOR. Sure. But, that is what the new statute provides. There is a provision in the authorization bill from last year for just that type of approach. And we recommended it because nearly every new service that you start at a loss and build up. That is true of 403(b) services, too.

Starting a lot of 403(b) services in which the State doesn't pay the full cost does add to our need for additional subsidy. And Congress, in the authorization bill, provided a means by which the State might get some help on that. And that would take the burden off Amtrak.

Mr. GILLESPIE. Up until this time, even today, all the 403(b) trains that we are operating are charged against our operating budget. What this provision would do is to take that off, have separate funding used only for new 403(b) service, and would treat it separately for accounting purposes.

Mr. CARR. Okay. The real question is: Are you supporting the additional money because you don't think it will count against your report card?

Mr. GILLESPIE. Sir, I think the reason we are suggesting the funding for—403(b) you are talking about now?

Mr. CARR. Yes.

Mr. GILLESPIE. We have a number of States who we expect will come to us during the course of the year and ask us for funding.

In the past, the way we dealt with this was we had to squeeze out of whatever we had in operating—and usually it is hardly anything—to get this service.

As a result, we wind up with report language as you saw in our authorization and requests through Congress and amendments on the Floor.

We suggested, through the authorization process, that if it is the policy of the Federal Government to want to start these new services with State support, then we ought to have a specific funding mechanism to allow them to do that. And that is what this is.

Mr. CARR. If the state-supported trains should not count on your cost recovery statistics, why not exempt all of those services, even those beginning before September 1992?

Mr. GILLESPIE. And all the previous 403(b)?

Mr. CARR. Why not?

Mr. CLAYTOR. The statute does not provide for the State to pay the full amount. Only a portion. That is the problem.

Mr. CARR. What is the FRA's view of the matter?

Mr. LINDSEY. I don't think we have looked at that as an official matter. Certainly, I understand what Mr. Claytor is saying about the problem being that the State is paying only half, because when a new 403(b) service is considered, Amtrak has to squeeze the operating account elsewhere in order to provide that service. That is very difficult for them.

Mr. CARR. Does your budget request have a set aside for 403(b) trains?

Mr. LINDSEY. It does not. In fact, at this operating level that we are recommending, it would be very difficult for any new 403(b) service to be undertaken.

Mr. CARR. Okay.

Mr. GILLESPIE. The problem we have had in the past, Mr. Chairman, is when we were funding these out of our own operating budget, there is always a need for our own basic system operations to use those funds for that purpose.

And it is hard to determine which of these States merit consideration over another States's request. That was the suggestion for this separate funding.

CAPITAL FUNDING

Mr. CARR. Mr. Claytor, what is the number one priority in your fiscal year 1994 capital request? And why?

[The information follows:]

While acquisition of new equipment continues to be a top priority at Amtrak, there are several equally urgent projects Amtrak must fund in fiscal year 1994. Assuming full funding of the $250 million requested, Amtrak plans to use $58 million for a downpayment on new equipment, $70 million for equipment overhauls, $20 million for the toilet modifications program, and $7.7 million for ADA improvements.

These programs are essential because Amtrak must continue to maintain and replace its aging fleet of cars and locomotives and comply with legislation such as the American with Disabilities Act and the National and Community Service Act of 1990. In addition to these programs, Amtrak is obligated to maintain and upgrade other assets like track and structures which are essential for safe and efficient operation of our trains.

Mr. CARR. Mr. Claytor, your request last year for capital included $159.7 million for new equipment. By the time of our conference last year, that figure had dropped to only $35.2 million. While Congress only provided 55 percent of your capital request, your allocation for new equipment was only 22 percent of the original request.

What caused such a change in plans?

[The information follows:]

During fiscal year 1992, Amtrak implemented a change in accounting for the equipment overhauls by capitalizing certain overhaul costs. At the time Amtrak's fiscal year 1993 grant request was prepared in January 1992, this cost was not known and could not be included in our capital requirements for the year.

Congress provided only $165 million of our $300 million request. The underfunding of $135 million caused us to curtail all programs including new equipment. Additionally, $55.7 million of the $165 million was allotted to equipment overhauls due to the change in account mentioned above. This unplanned requirement of $55.7 million represented nearly 34 percent of the capital grant and could not be accommodated without a drastic reduction in the new equipment program.

VIEWLINER AND SUPERLINER ACQUISITIONS

Mr. Carr. This time last year, Amtrak planned a $400 million capital program for fiscal year 1993, including $130 million for new Viewliner cars and $96 million for new Superliner cars.

What is your current financial plan for the Viewliner and Superliner in fiscal year 1993?

[The information follows:]

Amtrak's $400 million capital program for FY93 assumed $150 million down-payment and $250 million in private financing. The $150 million down-payment was based on a capital grant of $300 million. Instead, Congress provided only $165 million in FY93. This under-funding of $135 million caused us to curtail all programs including new equipment. Additionally, $55.7 million of the $165 million had to be allocated to equipment overhauls due to a change in accounting. This unplanned requirement of $55.7 million represented nearly 34% of the capital grant and could not be accommodated without a drastic reduction in the new equipment program.

The $55.7 million for overhauls was capped at $35 million. In anticipation of the economic stimulus package being passed, Amtrak hoped to utilize the capped $21 million for new equipment purchases. However, with the demise of the economic stimulus package and having expended the $35 million of overhaul monies by mid-May, Amtrak had to request a reprogramming of $10 million of the $21 million to continue overhaul production and sustain employment for two months.

The attachment shows FY92 rolling stock commitments of $178.5 million, of which a minimum of $126 million may be financed. The FY93 planned equipment commitment of up to $133 million, includes an option order for Superliners of up to 55 cars, which will likely be financed. The order will be a mixture of car types including diners, lounges and transition dorms.

(In millions of dollars)

	Unit Cost	Total
In FY92 the following equipment was purchased:		
50 Viewliner Cars	2.4	118.2
24 Diesel Locomotives	2.5	60.3
Total FY92 Equipment Purchased		178.5
In FY93 the following equipment purchases are projected:		
(Up to) 55 Superliner Cars	2.2	123.0
(Up to) 15 Switching Locomotives	0.5	7.5
(Up to) 20-30 RoadRailers	0.1	2.5
Total FY93 Estimate of Equipment to be Purchased		133.0

NEW YORK'S PENN STATION RENOVATION

Mr. CARR. Please explain your plan for the renovation of New York's Penn Station.

[The information follows:]

Despite the critical importance of New York's Penn Station, it is minimally acceptable in its current condition and becoming functionally and physically obsolete. The station currently experiences severe overcrowding during weekday and holiday peak travel periods; expected increases in traffic will exacerbate this problem. Waiting areas and public circulation space are inadequate. The mechanical systems are in need of replacement and the station lacks adequate ingress and egress. There is no clarity of signage and graphics and, in general, the station lacks a coherent image. Finally, although there is a significant retail presence in the station, it has not been exploited to its full potential.

To address these shortcomings, Amtrak has developed a Master Plan for Penn Station. Implementation of the plan will result in a first-class passenger facility that will accommodate all foreseeable growth in Amtrak and commuter ridership. It will bring the station into compliance with the Americans With Disabilities Act (ADA) requirements, address serious building deficiencies, install new mechanical systems, and upgrade the work facilities for Amtrak employees. It will result in increased passenger and commuter operations.

The Master Plan involves the creation of a new Amtrak station in the James A. Farley Building (JAF) on 8th Avenue between 31st and 33rd Streets directly west of Penn Station. It would segregate Amtrak and commuter operations and give Amtrak an identity above ground in an historic landmark building designed by McKim, Mead and White—the same architects as the original Penn Station, which was demolished in 1964. Under the JAF plan track capacity would be increased by converting half of the mail platform to a passenger platform for Empire Service trains. The plan would also include expanding an existing underground connection to Penn Station on 33rd Street. The current station would be utilized by New Jersey Transit (NJT), Long Island Rail Road (LIRR) and additional retail tenants. Both commuter agencies would be afforded greater visibility, expansion potential, better retail environment, less congestion and increased capacity to off-load at track level.

It is estimated that the entire project, including renovation of Penn Station, complete rehabilitation of the Service Building, upgrading the West 33rd Street Passage and conversion of JAF to an Amtrak station would cost approximately $315 million. With the completion of this plan, Amtrak will have successfully transformed four New York City blocks into an intercity and commuter urban mass transportation zone servicing in excess of 500,000 passengers per day.

On April 1, 1993, Amtrak presented a report on the redevelopment of Penn Station to Congress. Copies of the report have been distributed to key governmental officials of the city and state of New York, as well as representatives of the primary parties to the plan, including the United States Postal Service, the Long Island Rail Road and New Jersey Transit.

Amtrak is currently working to develop financial support for the project from federal, state and city sources, as well as from the private sector.

HISTORIC PRESERVATION

Mr. CARR. What is Amtrak's overall policy regarding the renovation or rehabilitation of train stations, and to what extent do you consider historic preservation a valid justification for undertaking these projects?

[The information follows:]

Amtrak's policy for renovating, rehabilitating and building new stations places primary emphasis on meeting our customer's needs. To the extent that renovating a historic structure meets these needs, and the renovation does not require investing capital or incurring operating expenses disproportionate to the number of passengers using the facility, we are generally only too happy to remain in historic stations.

We do not consider historic preservation of and by itself, enough justification for renovating older stations. After all, not many stations have the architectural significance and economic potential of Washington Union Station, Chicago Union Station or Philadelphia's 30th Street Station. Historic preservation is only one factor we consider for making station improvements. Some of the other factors we consider are the desires of the community served, opportunities for intermodalism and service expansion potential.

LONE STAR CONCRETE TIES

Mr. Carr. Would you update us on the status of the settlement with Lone Star Industries regarding the sale of defective concrete ties installed in the Northeast Corridor?

[The information follows:]

Amtrak's settlement with Lone Star was approved by Lone Star's bankruptcy court in October 1992, at which time Amtrak received a $5 million cash payment pursuant to the settlement agreement. The agreement also provided that Amtrak would have a $34 million unsecured stipulated liquidated claim in the Lone Star bankruptcy proceeding. Amtrak has not yet received any distributions on that claim.

Mr. Carr. As I understand it, much of the settlement would not occur until Lone Star's bankruptcy status is resolved.

When is Lone Star's bankruptcy reorganization expected to be finalized?

[The information follows:]

Lone Star management has recently filed with Lone Star's bankruptcy court a proposed plan of reorganization which contemplates that Lone Star will emerge from bankruptcy in late 1993 or early 1994. This plan is opposed by some of Lone Star's creditors. Amtrak does not know whether the plan will be approved by the bankruptcy court or when the Lone Star bankruptcy proceedings will ultimately be resolved.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

Mr. Carr. Amtrak is requesting $250 million for the Northeast corridor for fiscal year 1994, $185 million for the Northeast high speed rail between New York and Boston. The administration is requesting $204.1 million, the same level as provided for fiscal year 1993.

Mr. Claytor, your recent estimate of the total costs of the New York-Boston project is, I believe, $1.3 billion. How confident are you that that will hold?

We get into risk assessment here again. What is the probability that $1.3 billion is going to hold?

Mr. Sullivan. Yes, sir, I would be confident with that at this point since we have been into this north end improvement project for several years and have been able to get better engineering data and better cost estimates on equipment, and electrification, which is one of the major components of the projects, has been bid. And we know the price of the electrification.

So I would give a very high probability of staying within that $1.3 billion estimate, for the elements of the project that have been identified.

There are some New York-Boston elements that relate to commuter operations and improvements to those facilities that the FRA is working on with the States and so on, and those would be over and above the $1.3 billion.

But to answer your question, the elements in the $1.3 billion, are pretty solid right now. The equipment is in the $1.3 billion, yes.

Mr. Claytor. That is more open than the other part.

Mr. SULLIVAN. We are going out for competitive bid on the equipment, so that is more open. We are not as sure of that element as we are some of the other elements.

Mr. CARR. How much of the appropriated money for New York-Boston has been actually expended?

Mr. SULLIVAN. Off the top of my head, I can't give you those, Mr. Chairman. But we can provide those numbers for the record.

[The information follows:]

As of May 2, 1993, actual expenditures for the Northeast High-Speed Rail Improvement Project have totaled $171 million. By the end of fiscal year 1993, Amtrak expects to have expended a total of $263 million. The remaining balance of the appropriated funds is necessary to pay for work and materials through the end of calendar 1993 and until Amtrak receives fiscal year 1994 funding, for materials as they are delivered, and for placement of the electrification contract and supporting work in 1994.

Mr. CARR. How many people are employed today under the electrification contract with Morrison-Knudsen?

Mr. SULLIVAN. None on the construction side. The environmental impact analysis is still going on.

But on the design side, Morrison-Knudsen and subcontractors are working on the design.

And I would have to get those numbers and submit them for the record.

Mr. CARR. When do you expect that employment will really start to ramp up a little bit?

Mr. SULLIVAN. I would expect, if the environmental impact statement is completed this fall, as currently scheduled, that we will see heavy construction begin in the spring of 1994. So we will——

Mr. CARR. Are there any technical or environmental problems which we should be aware of at this point?

Mr. SULLIVAN. Technically, we have been through the 30 percent design review; and we have approved that basically. And we are moving on with the design.

Environmentally I would have to defer to the FRA on that since they are conducting the study. But I know of no show stoppers.

[The information follows:]

Amtrak's contractor submitted the 30 percent design of the New Haven to Boston electrification project on February 22, 1993. The issues being discussed in these review documents are considered typical for a 30 percent submission level.

The environmental review of the electrification project is nearing completion. A number of issues have been raised, most notably concerns over safety, noise, electromagnetic fields, aesthetics and the potential impact of the electrification project on freight operations. These issues are presently being evaluated. The relative significance of these impacts do not appear out of line with other projects of similar magnitude.

HIGH SPEED TRAINSETS

Mr. CARR. You are requesting $68.5 million to begin the acquisition of high speed trainsets. It appears it is a little premature, however, given that you just finished a test on the X-2000 and you are going to test the German train later this year.

Is it something we could do in fiscal year 1995?

Mr. SULLIVAN. The electrification construction is to be completed in late 1996 or early 1997. We are going out within a week with an advertisement for expressions of interest by major equipment manufacturers. And it is our intent, through the next six months, to analyze proposals from major equipment manufacturers and to create a pre-qualified list of bidders, companies, either individually or joint ventures, that can handle a project of this magnitude.

Then, in the first quarter of fiscal year 1994 it is our hope that we can go forward with the award of a contract to build that equipment. And we are looking at about three years to build two prototype trainsets and then take delivery of the rest of the trainsets.

So to have the equipment when the electrification construction is completed in 1997, we have to begin the process now and need some money in fiscal year 1994 to start that process.

Mr. CARR. Well, you are basically talking about a tilt train technology of some kind?

Mr. SULLIVAN. We are not specifying tilt train. We are specifying that the train must go from New York to Boston in less than three hours.

Mr. CARR. But you will be able to use current electric equipment throughout the whole route?

Mr. SULLIVAN. Yes, that is correct.

Mr. CARR. Perhaps not at the speed you want. But it is not as though, when you get the electrification done, you are not going to have any equipment to operate on it.

Mr. SULLIVAN. That is correct. We will have current AmFleet and AM-7 locomotives.

Mr. CARR. When are you going to write the specifications for the new trainset?

Mr. SULLIVAN. That will be done this year.

And when we go out with the pre-qualified list in the first quarter of next year, we will have a performance specification written that those contractors will bid on.

X-2000 DEMONSTRATION

Mr. CARR. Is the X-2000 test concluded now?

Mr. NORMAN. No, sir.

Mr. SULLIVAN. The revenue demonstration is still ongoing, and we have a nationwide demonstration that is going to be done beginning this month.

Mr. CARR. Let me ask you, first, about the demonstration you are doing now.

Have you identified any significant problems?

Mr. NORMAN. We have not identified any significant problems that we don't feel that we have answers for. What we have done, sir, is had two approaches. First is a technical demonstration to ascertain how well it is able to run and how well it will operate in the environment of the United States.

That is essentially completed. And we have a large quantity of data that we can use here in helping us put forth a performance specification.

The second issue, which is a bigger one, is that, it has to meet the needs and expectations of our customers. So what we have been testing very thoroughly is various kinds of amenities what will serve as a greater incentive for our passengers to continue to use the service and use it in the numbers we are envisioning in the New York to Boston segment.

We have extensive surveys going on. We are in the process of collating that information. And within the next 30 days, we should have this all together and be able to say, for different scenarios, what customers like, what different amenities, what the comfort level should be, the noise level should be, etc.

And we have looked at this very extensively. And it will all go into the performance specification for the new trainsets.

Mr. CARR. No problems were uncovered in this?

Mr. NORMAN. No major problems. In fact, to the contrary. What we have seen is almost a halo effect for our other system, an extraordinary reaction to it and very positive.

Mr. CARR. Has the X-2000 met all the safety regulations, Mr. Lindsey?

Mr. LINDSEY. Generally speaking. There were other areas we had to grant waivers.

Mr. CARR. What were those areas?

Mr. LINDSEY. For it to travel 135 miles per hour, a waiver was necessary. We had previously permitted speeds only up to 125 in the Northeast Corridor, which is the only place we permit that. Elsewhere in the country speeds are limited to 110.

I believe there were some other waivers granted as well, but I would have to provide those for the record.

Mr. CARR. Would you, please?

[The information follows:]

In order to conduct a limited demonstration of the X2000, Amtrak was granted temporary relief from the following Federal safety regulations:

1. 49 CFR 213.57(b)—waiver permits high cant deficiency.
2. 49 CFR 213.9(c)—waiver permits train operation at speeds exceeding 110 miles per hour.
3. 49 CFR 231.12—waiver permits operation without hand brakes, side and end handholds and non-standard couplers.
4. 49 CFR 229.131—waiver permits operation without sanders.
5. 49 CFR 232—waiver permits operation without certain power brakes.

Mr. CARR. Given that the X-2000 is principally an electric train, why take it around the country? Why go to that expense? It has got to be expensive.

Mr. NORMAN. Mr. Carr, that is being done at no cost to Amtrak. What we said is, it is a demonstration. There are a number of communities that would like to see this kind of equipment and would like demonstrations. And we have agreed that starting two weeks from now it would be able to go around the country, people would be able to have the chance to ride on it for short sections to see the tilting mechanism; and there is a very, very extensive interest in high speed rail in various parts of this country.

There have been corridors that have already been set forth. The manufacturer, the Federal Railroad Administration, and the States involved are picking up the costs of doing that.

Mr. CARR. It is not coming out of Amtrak at all?

Mr. CLAYTOR. No, sir.

Mr. CARR. Any FRA money in this?

Mr. LINDSEY. Yes, sir, some of it is coming out of the FRA under Section 1036 of ISTEA. There is some technology demonstration money available. We are effectively financier of last resort I guess.

Mr. CARR. How much money is involved?

Mr. MCQUEEN. Mr. Chairman, the approach we are taking is that the States will finance the operations within their borders. The manufacturer will finance all lease costs. FRA will pick up the out-of-pocket costs for getting the train between the State's borders. That amounts to about $140,000.

Mr. SULLIVAN. Mr. Chairman, if I could add to that, when we go out with our specification for the electric high speed trainsets for the Northeast Corridor, we are going to have a provision in our specification for the manufacturer to provide a fossil fueled engine, either diesel or turbine powered engine, that can operate with this same equipment in nonelectrified corridors.

The purpose of that, of course, is to be able to provide a trainset that could operate at high speed in high speed corridors that are nonelectrified in various areas of the country and not have to go through another program to develop equipment that can operate on those corridors. So we are going to try to do it at the same time.

Mr. CARR. That is part and parcel of our hearing the other day. I don't want to go over that ground. But you are saying—how much money are you spending to take this train around?

Mr. LINDSEY. About $140,000.

Mr. CARR. Are you going to do that with the German train, too?

Mr. MCQUEEN. The approach that we have taken is that we will facilitate the demonstration of the equipment to learn more about customer reaction outside the Northeast Corridor, but we will only finance that portion between the States. We will not finance intrastate activities. We will offer the same deal to the German train.

Mr. CARR. We will ask the rest of these questions for the record on high speed because I think we principally have covered it. Also, we have a couple of questions on MAGLEV that we will ask for the record.

NEW YORK-BOSTON COST ESTIMATE

Mr. CARR. Mr. Lindsey, does the FRA agree that $1.3 billion will accomplish the New York to Boston project?

[The information follows:]

FRA believes $1.3 billion is a reasonable estimate. However, the Program Master Plan, which the Department is required to prepare under the Amtrak Authorization and Development Act of 1992 and which is scheduled for delivery to Congress this fall, will examine in detail whether additional improvements may be needed to achieve the three hour trip times and, at the same time, accommodate the needs of commuter and freight users.

ELECTRIFICATION CONTRACT

Mr. CARR. How many people are employed today under the electrification contract with Morrison-Knudsen? And when will that employment level begin to ramp up?

[The information follows:]

For the past year, the Joint Venture undertaking the electrification design and construction—Morrison Knudsen Corp., L.K. Comstock Construction and the Spie Group—has been engaged in design, surveying and field work related to the electrification project. This has involved approximately 100 employees of the Joint Venture and its various subcontractors and is expected to continue at this level through the remainder of the year. Actual construction work will begin in 1994.

The Joint Venture has an agreement with the International Brotherhood of Electrical Workers (IBEW) under which IBEW employees in Connecticut, Rhode Island and Massachusetts will construct the electrification system. During the 1994–96, this will lead to about 225 direct jobs per year for three years, which breaks down as follows: Connecticut, 340; Rhode Island, 240; and Massachusetts, 195.

There will also be a ripple effect which will create a number of indirect jobs in and outside the region because of the purchase of materials. For a project of this nature, for each dollar spent on labor a dollar is spent on materials.

TRAINSET ACQUISITION

Mr. CARR. What is your schedule for acquiring these trainsets? And how does that compare to your schedule for completing the electrification and other infrastructure work in the corridor?

[The information follows:]

Amtrak hopes to take delivery of two advance high-speed trainsets during the Spring of 1996 in order to perform certain testing before completion of the remaining 24 trainsets, which would be delivered over the next two years. This is consistent with the timing for completion of the Northeast High-Speed Rail Improvement Project. Electrification should be completed by the end of 1996, with other infrastructure improvements continuing through 1998. Increased and higher speed service will be phased in during 1997 and 1998. We expect to be able to provide three-hour high-speed service, with the full complement of trains, by the end of 1998.

Mr. CARR. Mr. Claytor, how did you arrive at the figure of $68.5 million for these trainsets in fiscal year 1994?

[The information follows:]

Amtrak believes that it will be able to finance a portion of the projected cost of the new trainsets. It is unclear at this point what the final cost of the initial 26 trainsets will be; we hope to award a contract early next year and will keep the Subcommittee fully updated as the procurement progresses. The fiscal year 1994 funding would put Amtrak in an advantageous position to allow us to prepay or advance some costs, as well as enable us to make a firm commitment when we award the contract. It will also fund Amtrak's own engineering, testing and administrative costs related to the high-speed equipment order. We plan to request the federal funds for the equipment in increments over the next three or four budget cycles.

Mr. CARR. Mr. Lindsey, does FRA agree that Amtrak needs funding for new high speed trainsets in fiscal year 1994? Or should we wait?

[The information follows:]

In a May 7, 1993, announcement in the *Wall Street Journal*, Amtrak sought submissions from qualified firms for the design and construction of 26 trainsets for high speed electric operations. Submissions are due to Amtrak by May 27, 1993. One qualification criterion included in the announcement was the ability to have all necessary resources to deliver two trainsets (pre-production units) by January 1996, or 24 months after Notice to Proceed. These trainsets will be tested extensively before final production begins. Trainsets from this order could be needed by Amtrak soon after electrification of the New Haven/Boston line is complete, approximately January, 1998.

Assuming that nothing prevents Amtrak from meeting this schedule, it would seem reasonable to proceed with the initial order in 1994.

NEW YORK-BOSTON RIDERSHIP PROJECTIONS

Mr. CARR. Mr. Claytor, as you know, this committee has been concerned about the adequacy of ridership projections for the New York to Boston project.

When will we see updated ridership projections?

[The information follows:]

New ridership projections, made by the Department of Transportation as part of the environmental impact analysis of the electrification improvements, are expected to become available with release of the Draft Environmental Impact Statement in

July or August. We understand that these projections are consistent with the estimates Amtrak has made regarding the impact of three-hour service on ridership.

HIGH-SPEED RAIL CORRIDOR SELECTION

Mr. CARR. Mr. Lindsey, has the FRA developed the criteria upon which to base its selections for high speed rail corridor development?

[The information follows:]

Section 1001(d) of the legislation proposed by the Administration and introduced in the House as H.R. 1919 contains a number of general criteria that must be considered in determining whether a specific intercity corridor should be designated as a high-speed rail corridor and, thus, become eligible for funding under the proposed program. FRA expects that this criteria will be further refined during the legislative process and in the development of regulations implementing the legislation.

Mr. CARR. In July 1980, FRA published an evaluation methodology for reviewing rail passenger corridors and ranking those with the greatest potential. This study was required by Section 1001 of the Rail Passenger Service Act.

Have you reviewed this methodology to determine whether it could be used for the current high speed rail program?

[The information follows:]

FRA is very familiar with the July 1980 evaluation methodology and will make use of it, as well as other available techniques, in designing the current high speed rail program.

The corridor evaluation criteria in the current legislative proposal differ in many respects from those underlying the 1980 methodology. For example, the 1980 study generally focused as top speeds to 79 mph. Therefore, the precise methodology for reviewing corridor applications cannot follow the 1980 model in detail. Corridor evaluations, however, inevitably include projections of typical measures like ridership, revenue, operating expenses, and capital investments; and, in any specific areas for which the 1980 procedures are found to retain their validity, FRA will consider making use of the July 1980 report.

HIGH-SPEED RAIL DEVELOPMENT

Mr. CARR. The administration is requesting $95,247,000 for high speed rail corridor development in fiscal year 1994.

How much of this funding do you expect to obligate during that fiscal year?

[The information follows:]

FRA expects to obligate all $95,247,000 in fiscal year 1994, assuming timely enactment of the Administration's proposal.

Mr. CARR. Can you tell us your schedule for receiving proposals, reviewing them, and selecting the corridors?

[The information follows:]

Assuming enactment of the proposed legislation in fiscal year 1993, and assuming that requests are received from states, FRA could begin designating corridors during the first month of fiscal year 1994. It is expected that other corridors will be designated in the second quarter of the fiscal year. The timing of action on these proposals is dependent upon the number of proposals and quality of the information contained in the proposals.

Mr. CARR. How did you arrive at the need for $95,247,000 in fiscal year 1994? And what exact types of work would be funded?

[The information follows:]

The funding request for the corridor assistance program was based on judgments of the current status of high-speed rail projects and the likely requirements for funding of these projects during the first year of a new program. In part, this assessment of funding was derived from information developed by the five high-speed corridors designated under Section 1010 of ISTEA. The Section 1010 corridors submitted informal estimates of the projects for which funds could be obligated in the first year and thus was evaluated by FRA in light of previous experience in managing NECIP and freight line improvements. FRA also reviewed the status of other high-speed proposals and the likelihood that they would be ready for funding in the first year. It should be made clear, however, this was done only to develop an estimate of the magnitude of potential first year assistance and not to identify funds for specific projections. Until the authorizing language is passed, and applications for assistance are received and evaluated, FRA cannot specifically address the actual funding needs and how funds will be allocated.

Mr. CARR. Of the total request of $140 million, $105 million, 75 percent, would be derived from the highway trust fund.

Mr. Lindsey, how did the administration determine that the majority of funding for the high speed rail program should come from the highway trust fund and not from the general fund?

[The information follows:]

The Administration estimates that the appropriate level of first year funding of the high-speed ground transportation initiative is $140 million. Section 1036 of ISTEA already authorizes $105 million for high-speed ground transportation purposes during fiscal year 1994 which met the majority of the first year needs without requiring new budget authority. As a consequence, it is necessary to ask for only $35 million in new budget authority from the general fund in fiscal year 1994.

FRA STAFFING FOR HIGH-SPEED RAIL

Mr. CARR. Mr. Lindsey, FRA is also requesting 20 positions and 15 staff years in fiscal year 1994 to manage and oversee the high speed rail program.

Why are so many people needed in the first year?

[The information follows:]

The positions requested include staffing of both the maglev prototype program and the high-speed rail assistance program. The first year of these programs will be very busy, preparing all of the procurement and/or grant documentation, including the request for proposals, statements of work, evaluation criteria, outreach activities and program descriptive material to alert the states and the industry to the details concerning the program. These personnel are also necessary to evaluate the proposals, negotiate the contracts and grants, award them and initiate oversight activities.

Mr. CARR. Could you give us a rundown of the specific positions you are requesting?

[The information follows:]

In the case of maglev, the positions include the Program Director, two Division Chiefs, three engineers, a procurement officer, two procurement specialists, a planning and control specialist and two secretaries. These positions are the minimum required to establish the maglev project office and initiate the procurement process, resulting in award of the basic maglev development contracts as well as the supporting interagency agreements and support contracts.

For the remaining part of the High-Speed Ground Transportation Program dealing with high-speed rail technology and the states' financial assistance programs, the positions include two general engineers, a planning engineer, a civil engineer, an electrical engineer, an environmental specialist, a financial analyst and a field coordinator. Five of these positions will be administering the program and three will be addressing the Federal safety requirements. These also represent the minimum required to get this program underway in the first year.

HIGH-SPEED RAIL LIABILITY

Mr. CARR. Mr. Lindsey, Amtrak's statement says that it is unlikely that freight railroads—including those that own the trackage in most potential high speed rail corridors—will permit high speed passenger operations without satisfactory resolution of the liability issue.

They have urged Congress to deal with this issue before it becomes a barrier to the implementation of high speed rail in this country.

Does the administration's proposed high speed rail legislation address the liability issue? And if not, why not?

[The information follows:]

The Administration's proposed legislation does not address the issue of liability. This is primarily a State-based issue since the potential for judgments against a freight railroad in the event of a passenger accident would be based on State tort law. The program proposed by the Administration would look to the State proposing to develop a high-speed line to address this issue, much as States have addressed the liability issue in the context of commuter rail service. It should be noted that Amtrak's current agreements with the freight railroads provide that Amtrak and not the freight railroad is responsible for damages incurred by passengers.

AMTRAK PLAN FOR NON-ELECTRIC HIGH-SPEED LOCOMOTIVE

Mr. CARR. Mr. Lindsey, earlier this year the committee received testimony on Amtrak's plan to develop a non-electric high speed locomotive, including the retrofit of two existing turbine locomotives with Turbomeca's Makila turbine engine.

Has FRA reviewed that plan? And do you support it?

[The information follows:]

The review of expressions of interest under the National High-Speed Ground Transportation Technology Demonstration Program was delayed while the President's high-speed rail initiative was being developed. This program will be incorporated as part of the high-speed rail technology development program and the delay is considered appropriate so that, during fiscal year 1993, this program can reflect the priorities of the President's initiative.

The proposals are now being reviewed and FRA expects decisions in early June. Some proposals may require additional information. As a consequence, it would be premature to comment on the merits of any specific application.

X-2000 TRAIN

Mr. CARR. Mr. Claytor, the Swedish X-2000 tilting train has concluded its evaluation in the Northeast Corridor, I believe. What were the overall results?

[The information follows:]

The testing of the X-2000 in the Northeast Corridor is now concluded, but the results of the tests have not been fully evaluated at this point. Testing consisted of primarily two broad areas: (1) technical and performance testing and (2) revenue service testing. The purpose of the tests were to provide a basis for establishing procedures and limits for the safe operation of the X-2000 by Amtrak in the NEC, and to consider these results in the development of specifications for Amtrak's high-speed trains to be built in the U.S. Once developed, these specifications will be used as the basis for competitive bidding among all interested and qualified manufacturers.

The technical and performance tests included cant deficiency tests to measure the performance of the X-2000 through curves at higher than normal track speeds, high speed stability tests to measure maximum safe operating speeds, and simulated revenue service runs at slightly higher than standard speeds measuring performance between Washington and New York. These tests were performed by Amtrak, Asea Brown Boveri (equipment manufacturer), Swedish State Railway personnel and monitored by the FRA.

Revenue service testing consisted of operating the X-2000 in regularly scheduled Metroliner Service. A market research firm was contracted to compile and evaluate passenger reaction to a variety of service levels and amenities. During the course of the revenue operation between February 1 and May 7, 1993, passenger interviews and self administered on-board surveys were conducted. The data collected will be evaluated in the near future.

INTER CITY EXPRESS (ICE) TESTING

Mr. CARR. What other trains are you planning to test? And what is the testing schedule?

[The information follows:]

Amtrak just completed negotiations with Siemens Transportation Systems and signed an agreement to test and demonstrate the German InterCityExpress between Washington and New York. Testing will be similar to that done with the X–2000, consisting of performance and technical testing and revenue service testing. The train is scheduled to arrive in the U.S. around July 1 and will begin with technical and performance testing shortly after arrival. The revenue service testing is scheduled to take place during the fall. (Details of the schedule are subject to change.)

FRA EVALUATION OF X–2000

Mr. CARR. Mr. Lindsey, based on the evaluation in the Northeast Corridor, would the X–2000 need any modifications to meet existing FRA safety regulations for regular revenue service?

[The information follows:]

Amtrak has been granted a temporary waiver of compliance with certain Federal safety requirements in order to conduct a limited revenue demonstration of the X–2000. The equipment requirements that have been waived involve largely technical matters for which no degrading of safety would be expected (e.g., omission of handholds that normally would not be used, in any event, by employees handling the equipment). FRA expects that any equipment similar to the X–2000 which might be purchased for permanent revenue service would, at a minimum, meet traditional North American standards for compressive strength, anticlimbing features, collision posts, and other basic safety features. (These requirements are embodied in 49 CFR 229.141 with respect to Multiple-Unit Locomotives. They are similar to requirements applied to other passenger equipment as railroad industry standards, and as Amtrak standards, for many years.) It is also expected that FRA guidelines for flammability of materials used in the passenger coaches, and Amtrak standards for securement of luggage and other objects, would be incorporated into design specifications for equipment ordered for regular revenue service.

The most significant safety issue explored to date has been operation of the X–2000 trainset at higher speeds and at cant deficiencies greater than those permitted under the Track Safety Standards (3 inches). Based upon test runs carefully monitored by FRA, Amtrak has been authorized to operate the X–2000 in demonstration revenue service at cant deficiencies of up to 7 inches and at speeds up to 135 miles per hour. Test runs have been successfully executed at speeds in excess of 150 miles per hour without exceeding conservative safety limits. Any trainsets differing in composition from the X–2000 used in the test program would require separate analysis to verify that safety margins, with respect to track/vehicle interaction, are sufficient. However, based on test results for the present X–2000 configuration and the service requirements contemplated for the North End of the Northeast Corridor, track/vehicle interaction would not appear to be a limiting factor.

Additional regulatory requirements may be appropriate for high-speed rail service. These would be determined through rulemaking.

NATIONAL MAGLEV INITIATIVE

Mr. CARR. Mr. Lindsey, has the National MAGLEV Initiative, NMI, concluded its work? And if so, what were the major research findings?

[The information follows:]

The National Maglev Initiative (NMI) has indeed finished its studies and is completing the documentation of the program. Some additional research is underway using fiscal year 1993 funds to address some of the technical issues that require further information. These results are not expected to affect the general conclusions.

The findings indicate that: (1) maglev is technically feasible; (2) there are opportunities for significant improvements for a U.S.-designed maglev compared to existing foreign designs; (3) a U.S.-designed maglev system may be economically feasible in certain corridors; and (4) the technical and economic results, plus the public benefits of reducing airport congestion, reducing petroleum dependence and improving emissions due to reduced petroleum usage, justify the initiation of the first phase of the maglev prototype development program. The results also support the approach of defining discrete check points in the program to examine the progress before continuing with the program to reduce the risk and cost exposure as it moves forward.

MAGLEV PROTOTYPE

Mr. CARR. Mr. Lindsey, you are requesting $27,873,000 from the highway trust fund for development of the MAGLEV prototype in fiscal year 1994. What work would be accomplished with this funding?

[The information follows:]

The funding for fiscal year 1994 will be used to fund the first part of Phase I of the maglev prototype development program contracts. Phase I is for the system concept design. Fiscal year 1994 funding will also be used for interagency agreements with the DOT Volpe Center, the Army Corps of Engineers, and the National Laboratories of the Department of Energy for technical support, laboratory experiments and management support. Additional funding will be used to supplement the project office with contractor expertise, as required.

Mr. CARR. In authorizing this program, the ISTEA allowed 12 months for the preparation of design proposals and three months for FRA's review of those proposals.

Are these still good estimates of the amount of time needed to reach a contract award decision for phase one of the design?

[The information follows:]

The ISTEA requirement of 12 months after the date of enactment of the Act was for the release of the request for proposals, with three months for proposal preparation by the industry, evaluation by the Government, request for revised offers and negotiation of the contracts with multiple proposers. This is not a practicable time frame. At least nine months are required for release of a request for proposals. A minimum of two months is required for proposal preparation, two months for Government evaluation and two months for contract negotiation and award of the Phase I contracts.

Mr. CARR. The ISTEA requires only a 10 percent non-federal cost share. Will FRA place a higher priority on those proposals with a non-federal match of greater than 10 percent?

[The information follows:]

The current requirement is for at least 10 percent non-Federal cost share in Phase I. FRA has not yet established the specific evaluation criteria for awarding contracts for Phase I of the program, but additional consideration will be given to proposals having higher cost sharing. The amount and type of industry supplied funding (e.g., cash, in-kind services, contributed use of facilities, etc.) will be evaluated along with other criteria such as technical content and total development cost.

Mr. CARR. The ISTEA says that FRA is to award design contracts to not less than five applicants. However, your justifications state that up to three contracts will be awarded, on page 201.

Why will you not be able to meet the ISTEA direction for at least five contracts?

[The information follows:]

The number of Phase I contracts to be awarded is to ensure as much competition in the early stages of the development program compared to trying to reduce the total cost of the program. Adding two additional contracts for Phase I increases the costs for that part of the prototype program by 67 percent. Because of the comprehensive nature of the National Maglev Initiative program, the results of twenty-seven technology assessment contracts and four system concept definition contracts have put the Federal Government and the industry in a much better position to understand the issues concerning maglev and the opportunities for coming up with improved concepts. The FRA believes it will be able to use that information in the evaluation process of the Phase I proposals, which will be required to have sufficient detail, in order to select the best three. This also will allow the system concept design phase to be done in more depth, resulting in a better understanding of the concepts at the end of Phase I than would have been possible under the ISTEA requirements.

CLOSING REMARKS

Mr. CARR. I appreciate the attentiveness that you have given to the committee and the advice and counsel you have given us over the years, Mr. Claytor in particular.

Mr. CLAYTOR. Thank you.

Mr. CARR. We look forward to working with you. I have some additional questions to be answered for the record.

Mr. CLAYTOR. Yes, sir.

Mr. CARR. Mr. Wolf, do you have anything?

Mr. WOLF. No, Mr. Chairman.

Mr. CARR. If not, this meeting is adjourned. Thank you.

Mr. CLAYTOR. Thank you, sir.

ROUTE-BY-ROUTE PERFORMANCE STATISTICS

Mr. CARR. Please provide the most recent route-by-route performance statistics for short distance and long distance routes, updating the information shown on page 762 of last year's hearing record.

[The information follows:]

AMTRAK PROPRIETARY INFORMATION...NO EXTERNAL DISSEMINATION
NATIONAL RAILROAD PASSENGER CORPORATION
TRAIN INFORMATION SYSTEM
ROUTE BY ROUTE
AVOIDABLE COST REPORT(C)
YEAR TO DATE THRU SEPTEMBER 30,1992

ROUTE NAME	REV(D)	LONG-TERM AVOIDABLE COST(E)	LONG-TERM AVOIDABLE P/(L)	RATIO OF REV TO LTAC (F)	SHORT-TERM AVOIDABLE COST(G)	SHORT-TERM AVOIDABLE P/(L)	RIDERS	TOTAL PASSENGER MILES(PM)	PM PER TM	AVOID P/(L) PER PM
	($000)	($000)	($000)		($000)	($000)	(000)	(000)		--$---
NORTHEAST CORRIDOR										
METROLINERS	118,490	56,939	61,551	2.08	45,388	73,102	1,898	277,872	124	.263
NEC-CONVENTIONALS	220,505	147,512	72,993	1.49	116,630	103,875	5,894	957,232	173	.109
ATLANTIC CITY	6,419	10,729	(4,310)	.60	8,645	(2,226)	321	53,201	119	(.042)
NEW YORK-PHILADELPHIA	13,836	10,813	3,023	1.28	8,198	5,638	1,706	91,469	325	.062
PHILADELPHIA-HARRISBURG	3,243	5,748	(2,505)	.56	4,546	(1,303)	302	20,256	51	(.064)
TOTAL NORTHEAST CORRIDOR	362,493	231,741	130,752	1.56	183,407	179,086	10,121	1,400,031	157	.128
SHORT DISTANCE										
NYC-ALB-NIAGARA FALLS	34,267	41,111	(6,844)	.83	30,821	3,446	1,021	199,639	122	.017
CHICAGO-ST LOUIS	7,389	12,173	(4,784)	.61	9,688	(2,299)	279	51,273	71	(.045)
CHICAGO-MILWAUKEE	4,510	7,377	(2,867)	.61	5,981	(1,471)	349	28,626	68	(.051)
CHICAGO-DETROIT-TOLEDO	8,266	13,770	(5,504)	.60	10,855	(2,589)	373	69,829	107	(.037)
CHICAGO-CARBONDALE	2,834	3,908	(1,074)	.73	3,037	(203)	96	19,631	87	(.010)
CHICAGO-QUINCY	2,768	3,511	(743)	.79	2,873	(105)	81	14,539	76	(.007)
LOS ANGELES-SAN DIEGO	25,140	28,827	(3,687)	.87	23,432	1,708	1,767	144,784	162	.012
PORTLAND-SEATTLE	1,598	3,096	(1,498)	.52	2,450	(852)	92	14,089	104	(.060)
SAN JOSE-ROSEVILLE	6,343	6,779	(436)	.94	5,612	731	226	20,042	76	.036
OAKLAND-BAKERSFIELD	21,037	22,208	(1,171)	.95	18,535	2,502	496	72,878	108	.034
(NYC)-ALBANY-MONTREAL	3,868	4,959	(1,091)	.78	4,191	(323)	82	22,409	129	(.014)
CHICAGO-PORT HURON-(TOR)	3,243	4,123	(880)	.79	3,362	(119)	106	19,725	85	(.006)
CHICAGO-INDIANAPOLIS	1,626	3,284	(1,660)	.49	2,667	(1,043)	88	15,269	108	(.068)
PITTSBURGH-PHILADELPHIA-(NYC)	6,031	5,657	374	1.07	4,415	1,616	184	36,459	142	.044
CHICAGO-GRAND RAPIDS	2,155	2,522	(367)	.85	2,046	109	68	10,103	79	.011
TOTAL SHORT DISTANCE	131,073	163,305	(32,232)	.80	129,965	1,108	5,308	739,296	110	.001
LONG DISTANCE										
WASHINGTON-MONTREAL	6,375	12,429	(6,054)	.51	10,193	(3,818)	121	54,578	179	(.070)
NYC-COLUMBIA-FLA	37,873	44,361	(6,488)	.85	35,537	2,336	427	329,448	312	.007
CHICAGO-PHILADELPHIA-NEW YORK	20,111	24,327	(4,216)	.83	20,163	(52)	199	115,916	174	.000
CHICAGO-WASH-NEW YORK	7,411	12,935	(5,524)	.57	10,688	(3,277)	127	58,176	163	(.056)
NYC-CHARLESTON-FLA	39,935	44,722	(4,787)	.89	35,804	4,131	453	348,369	294	.012
CHICAGO-SEATTLE/PORTLAND	41,549	61,731	(20,182)	.67	48,317	(6,768)	436	350,230	187	(.019)
CHICAGO-WASHINGTON	14,722	19,927	(5,205)	.74	16,483	(1,761)	171	97,782	173	(.018)
CHICAGO-SLC-OAKLAND (A)	44,709	61,487	(16,778)	.73	48,929	(4,220)	408	327,510	188	(.013)
CHICAGO-LOS ANGELES	37,621	50,033	(12,412)	.75	38,990	(1,369)	279	321,080	198	(.004)
CHICAGO-NEW ORLEANS	11,796	18,542	(6,746)	.64	15,023	(3,227)	202	107,488	161	(.030)
CHI-TEXAS-(LOS ANGELES) (B)	17,078	33,180	(16,102)	.51	25,938	(8,860)	206	182,540	185	(.049)
NEW ORLEANS-SAS-LA (B)	10,046	19,801	(9,755)	.51	15,710	(5,664)	100	105,634	185	(.054)
LOS ANGELES-SEATTLE	38,467	46,882	(8,415)	.82	37,161	1,306	534	313,926	316	.004
CHICAGO-NEW YORK/BOSTON	26,643	31,499	(4,856)	.85	25,542	1,101	366	201,855	242	.005
BOSTON-NEWPORT NEWS	12,414	11,054	1,360	1.12	8,857	3,557	342	80,351	265	.044
NEW YORK-JACKSONVILLE	11,948	13,609	(1,661)	.88	10,859	1,089	184	91,604	168	.012
(CHI)-SLC-SEATTLE (A)	15,152	30,057	(14,905)	.50	23,285	(8,133)	211	169,545	188	(.048)
NEW YORK-NEW ORLEANS/MOBILE	32,677	42,728	(10,051)	.76	35,037	(2,360)	354	222,842	187	(.011)
KANSAS CITY-CEN-(NEW ORLEANS)	5,908	8,299	(2,391)	.71	6,641	(733)	188	41,984	85	(.017)
(CHI)-SLC-LOS ANGELES (A)	14,366	19,224	(4,858)	.75	14,072	294	141	160,096	188	.002
AUTO TRAIN	42,056	37,035	5,021	1.14	31,131	10,925	217	185,546	299	.059
(NYC)-ROCKY MT-CHARLOTTE	10,099	8,765	1,334	1.15	6,916	3,183	208	68,743	198	.046
TOTAL LONG DISTANCE	498,956	652,627	(153,671)	.76	521,276	(22,320)	5,874	3,935,245	211	(.006)
ROUTE TOTALS	992,522	1,047,673	(55,151)	.95	834,648	157,874	21,303	6,074,572	177	.026
OTHER(H)	332,274	988,904	(656,630)							
GRAND TOTAL	1,324,796	2,036,577	(711,781)							

ANNUAL REPORT ON ROUTE SYSTEMS

Mr. CARR. Please provide a copy of your most recent annual report on route systems, updating the information shown on pages 764 to 773 of last year's hearing record.

[The information follows:]

1993 CRITERIA PERFORMANCE REVIEW OF AMTRAK'S ROUTES

Introduction

This review has been conducted to comply with Section 404(c) of the Rail Passenger Service Act (the Act). Amtrak is required to conduct an annual review of each route in the basic system to determine which routes are projected to meet the criteria applicable to that service for the given fiscal year. Currently, the sole criterion is the short-term avoidable loss per passenger mile (STAL/PM), adjusted for inflation from the base year of legislation. For FY93, Amtrak's long-distance routes must achieve a STAL/PM of less than 14.3 cents. Short-distance services must achieve a STAL/PM of less than 18.7 cents.

Amtrak annually evaluates the market potential and cost of providing service over each route. If Amtrak determines, on the basis of such a review, that a route will not meet the loss per passenger mile standard, the Corporation is authorized to discontinue or modify the operation over the route in order to meet the criterion.

Amtrak's route-by-route projections for fiscal year 1993 follows a brief economic and market overview.

Economic and Market Overview

Amtrak's performance is linked closely to the strength of the economy. The poor health of the national economy over the past year has significantly affected the travel industry. Discretionary travel fell sharply, hurting all carriers. Business travel similarly declined. The response by the airline industry - an aggressive fare war - further undermined ridership on competing transportation modes, including Amtrak.

During FY92, the number of miles traveled by Amtrak passengers decreased 2.9 percent to 6.09 billion miles, down 182 million miles from FY91. However, total ridership increased from 40.1 million to 41.6 million passengers, including 21.3 million intercity passengers and 20.3 million commuter passengers transported by Amtrak.

For the first time in over a decade, Amtrak revenues declined 2.5 percent, to $1.32 billion. This forced Amtrak to continue to expand a series of corporate-wide actions to reduce its operating budget. In fact, costs company-wide were reduced sufficiently to maintain the railroad's revenue-to-cost ratio at .79. This is the highest ratio in Amtrak history and one of the best among passenger railroads in the world.

Route Review

Amtrak's route system is divided into five major groups: Northeast Corridor (NEC) services; state-supported services operated under Section 403(b) of the Act; short-distance services; commuter services operated under Section 403(d) of the Act; and long-distance services. Following are the results of Amtrak's review of routes in each of the five major route groups.

Northeast Corridor

Amtrak's Northeast corridor (NEC), consisting of a main trunk and three branches, extends from Washington, DC, to Boston, MA, with the heaviest service density between Washington and New York. The branches extend from New Haven, CT, to Springfield, MA; and from Philadelphia to Harrisburg, PA and Atlantic City, NJ. In general, services over these lines are highly successful. In fact, many of Amtrak's NEC services post a substantial short-term profit per passenger mile (PM).

Metroliner Service and Northeast Corridor conventional service exhibited a decrease in both ridership and revenues during FY92, reflecting reduced business and discretionary travel during the recessionary period. Nonetheless, Amtrak's total endpoint combined air/rail travel market between New York and Washington increased to 43%. If intermediate cities such as Baltimore, Philadelphia and Wilmington were included, Amtrak carries well over 70 percent of this market.

The performance of the Atlantic City Express has steadily increased over the past several years. The previous re-sizing of consist lengths along with the discontinuance of the local Philadelphia-Atlantic City services has resulted in an improved short-term avoidable cost ratio. Atlantic City services are required to achieve the same criteria as other short distance services, i. e. a STAL/PM of less than 18.7 cents. This route is projected to easily meet this standard and achieve a 2.7 cents short-term avoidable loss per passenger mile in FY93.

The decrease in the Philadelphia-Harrisburg route performance measures is primarily due to the change in locomotive type used over the route. In FY93, electric locomotives are expected to be more widely used due to their superior operating characteristics. However, the cost of power for these locomotives is significantly higher than for diesel locomotives.

Actual service results for FY92 and forecasts for FY93 follows:

	1992 Actual STAP(L)/PM	1993 Projected STAP(L)/PM
Metroliner Service	26.3 cents	26.5 cents
NEC Conventionals	10.9 cents	12.5 cents
Atlantic City	(4.2) cents	(2.7) cents
New York-Philadelphia	4.5 cents	1.3 cents
Philadelphia-Harrisburg	(6.5) cents	(8.1) cents

State-Supported Services

Under Section 403(b) of the Act, state and local governments may contract for service not included in the basic system by agreeing to share with Amtrak the service's operating losses and capital costs. While these routes are not subject to basic system route performance criteria, Amtrak works very closely with the participating states to ensure that adequate levels of service are provided in the most cost-effective manner possible. In FY92, all 403(b) services met the loss per passenger mile criterion and are projected to do so again in FY93. Amtrak contracts with nine states (Alabama, California, Illinois, Michigan, Missouri, New York, North Carolina, Pennsylvania and Wisconsin) to provide rail passenger service over 16 routes in the Amtrak system.

California continues to be the most active state in contracting 403(b) services. An additional Oakland-Bakersfield daily round-trip began in October 1992, thereby providing four daily round-trips for this market. Additionally, the state placed an order in February 1992 for 88 intercity and commuter "California" cars to operate in California 403(b) service.

The inaugural of the *Piedmont* from Raleigh to Charlotte was expected for January 1993. However, startup of service is contingent on state funding the construction of a wye at Charlotte to permit turning the train. Service is now estimated to begin no earlier than May 1993. Upon initiation of the *Piedmont*, two round-trips will serve this North Carolina route, including the New York-Charlotte *Carolinian*. Meanwhile, the *Carolinian* has improved its performance measures partially due to a October 1992 mail contract with the U.S. Postal Service resulting in increased revenues.

Actual 403(b)service results for FY92 and forecasts for FY93 follow:

	1992 Actual STAP(L)/PM	1993 Projected STAP(L)/PM
Philadelphia-Harrisburg[1]	(2.7) cents	(2.3) cents
Chicago-Springfield, IL[1]	(2.9) cents	0.8 cents
Chicago-Milwaukee[1]	(1.3) cents	0.7 cents
Chicago-Carbondale, IL[1]	(1.0) cents	(0.6) cents
Chicago-Quincy, IL	(0.7) cents	(0.7) cents
Santa Barbara-San Diego	1.6 cents	2.8 cents
San Jose-Roseville	3.6 cents	4.6 cents
Oakland-Bakersfield	3.4 cents	4.6 cents
(New York)-Albany-Montreal	(1.4) cents	(0.8) cents
Chicago-Port Huron-(Toronto)	(0.6) cents	1.9 cents
(New York)-Birmingham-Mobile	0.1 cents	0.1 cents
Kansas City-St. Louis	(1.1) cents	0.5 cents
Philadelphia-Pittsburgh-(New York)[1]	4.4 cents	6.1 cents
Chicago-Grand Rapids	1.1 cents	1.6 cents
(New York)-Rocky Mount-Charlotte	4.6 cents	6.7 cents
Raleigh-Charlotte	---- cents	(5.8) cents

[1] Statistics reflect the results of only the state-supported trains on these routes. Amtrak basic system frequencies also operate between these cities. State payments received for these services are included as revenue.

Short-Distance Services

Under Section 404(b) of the Act, as amended, short-distance services may not lose more than 18.7 cents per passenger mile in FY93. In FY92, all short-distance trains easily met this criterion and are projected to do so again in FY93.

The New York-Niagara Falls route is forecast to improve substantially during FY93 to a 3.1 cent profit per passenger mile. The service has been adjusted to more accurately reflect ridership. The improved STAL/PM reflects the full year impact of the elimination of one round-trip 4 days a week between Albany and New York which occurred in May 1992. Strong revenue growth in western New York markets, such as Buffalo, Rochester, and Syracuse, is attributable to more expensive air fares in these cities and improved access at Penn station in New York to other Amtrak trains through the Empire Connection.

The Chicago-St. Louis route as a whole, which includes Chicago-Springfield 403(b) service, is projected to have a 4.3 cent loss per passenger mile. However, the basic system service is projected to sustain a loss per passenger mile of 7.3 cents. This substantial difference results from the assignment of costs to the basic system, with 403(b) service assessed for incremental costs only.

Chicago-Milwaukee service in FY93 reflects a full year impact of expanding from five to seven round-trips daily. Similar to the Chicago-St. Louis route, this route is also affected by a disproportionate distribution of costs between the basic and 403(b) service. The basic system Chicago-Milwaukee trains are projected to have a 5.0 cent short-term avoidable loss per passenger mile in FY93, while the route as a whole is estimated to have a 2.3 cent loss per passenger mile. Planned future service improvements include the commencement of cart food service in mid-May.

Following are the actual performance statistics for basic system short-distance routes for FY92, as well as the projected performance for FY93:

	1992 Actual STAP(L)/PM	1993 Projected STAP(L)/PM
New York-Niagara Falls	1.7 cents	3.1 cents
Chicago-St. Louis	(5.4) cents	(7.3) cents
Chicago-Milwaukee	(8.4) cents	(5.0) cents
Chicago-Detroit-Toledo	(3.7) cents	(2.7) cents
Los Angeles-San Diego	0.7 cents	0.7 cents
Portland-Seattle	(6.0) cents	(4.5) cents
Chicago-Indianapolis	(6.8) cents	(5.3) cents

Commuter Services

Amtrak currently is required to operate three commuter services pursuant to Section 403(d) of the Act. The Act was revised by 1986 legislation, which replaced the former criterion of 80 PM/TM with the same short-distance loss per passenger mile criterion (18.7 cents in FY93) as short-distance routes. New York-Philadelphia and New York-Harrisburg 403(d) services will again, as they have regularly in the past, post short-term avoidable profits.

In 1992, however, the Act was amended to state that the Corporation may discontinue, modify, or adjust a route with a short-term avoidable loss (during the previous 6-month period). The Philadelphia-Harrisburg route fails to meet this new criteria, and it is believed that rescheduling or possibly consolidating these frequencies will better serve the public, as well as improve the route's financial performance.

The decrease in the Philadelphia-Harrisburg route performance measures is caused in part by increased power costs. Previously, diesel locomotives have been used over this route. In FY93 electric locomotives are expected to operate over this route. While electric locomotives have improved performance characteristics, they generate higher power costs than diesel locomotives.

Actual results for 403(d) services for FY92 and forecasts for FY93 follows:

	1992 Actual STAP(L)/PM	1993 Projected STAP(L)/PM
New York-Philadelphia		
79 *	(18.6) cents	(6.5) cents
620	6.4 cents	4.6 cents
623	7.3 cents	6.3 cents
624	6.6 cents	5.1 cents
627	7.1 cents	6.4 cents
628	5.1 cents	3.5 cents
629	6.2 cents	5.1 cents
633	6.6 cents	4.2 cents
Philadelphia-Harrisburg		
600	(8.4) cents	(13.9) cents
691/602	(10.9) cents	(8.4) cents
617	(5.3) cents	(9.2) cents
New York-Harrisburg		
640/641	8.7 cents	7.7 cents

* Train #79, the *Carolinian*, continues to Charlotte, NC. The train, as a whole, does not incur an operating loss.

Long-Distance Services

Under Section 404(d) of the Act, as amended, long-distance routes may not lose more than 14.3 cents per passenger mile in fiscal year 1993. Every long-distance route easily met this standard in FY92 and is projected to do so again in FY93. These route performances assume $55.7 million in capitalized expenditures for heavy overhaul maintenance, which reduces overall operating costs of these services since the capitalized maintenance component is not charged back to the routes.

Three isolated events significantly undermined ticket revenues in FY92: Hurricane Andrew virtually wiped out travel to southern Florida for several weeks; a threatened rail passenger strike and actual freight railroad shutdown in June 1992 forced our passengers to use other transportation modes; and an aggressive airline fare war devastated long-distance rail demand during the peak summer months. With an improving economy and concomittant increase in travel demand, Amtrak revenues should resume pre-recession growth rates.

Both the *California Zephyr* and the *Desert Wind* are projected to strengthen their STAL/PM during FY93. With an improved economy, each route is expected to have significant revenue advances. The effect of FDA regulations has greatly impacted service on these trains, with dining and lounge car availability reduced, causing modifications in food service levels provided. The *Texas Eagle* was also affected by FDA regulations. Food service cars were reduced from two cars to one car, thereby reducing both on-board service personnel and service levels.

The tri-weekly *Sunset Limited*, between Los Angeles and New Orleans, has been extended to Miami, providing the first true transcontinental rail service, and linking the fast-growing Sunbelt states from coast to coast.

The New York-Jacksonville route is projected to have a short-term avoidable loss per passenger mile (STAL/PM) of 3.0 cents in FY93. In previous years, mail revenue on this route was credited to the Northeast Corridor route. Beginning in FY93, mail revenue, estimated at $1.54 million, will be attributed to this route.

Current and projected performance statistics for long-distance services are as follows:

	1992 Actual STAP(L)/PM	1993 Projected STAP(L)/PM
Washington-Montreal	(7.0) cents	(5.6) cents
New York-Florida (*Silver Star*)	0.7 cents	1.0 cents
Chicago-Philadelphia-New York (*Broadway Limited*)	0.0 cents	0.4 cents
Chicago-Washington-New York (*Cardinal*)	(5.6) cents	(4.4) cents
New York-Florida (*Silver Meteor*)	1.2 cents	1.7 cents
Chicago-Seattle/Portland	(1.9) cents	(0.8) cents
Chicago-Washington (*Capitol Limited*)	(1.8) cents	(0.9) cents
Chicago-Salt Lake City-Oakland	(1.3) cents	0.6 cents
Chicago-Los Angeles	(0.4) cents	(0.6) cents
Chicago-New Orleans	(3.0) cents	(1.5) cents
Chicago-San Antonio-(Los Angeles)	(4.9) cents	(3.6) cents
Miami-New Orleans-San Antonio-Los Angeles	(5.4) cents	(5.1) cents
Los Angeles-Seattle	0.4 cents	1.7 cents

Chicago-New York/Boston	0.5 cents	2.0 cents
New York-Newport News	4.4 cents	5.5 cents
New York-Jacksonville	1.2 cents	3.0 cents
(Chicago)-Denver-Seattle	(4.8) cents	(2.9) cents
New York-New Orleans	(1.2) cents	(0.1) cents
(Kansas City)-St. Louis-Centralia-(New Orleans)	(4.1) cents	(2.1) cents
(Chicago)-Salt Lake City-Los Angeles	0.2 cents	0.6 cents
Auto Train	5.9 cents	7.0 cents

More and more of Amtrak's long distance services are achieving a break-even position, both on a short-term and long-term avoidable basis. In FY93, for example, of 21 Amtrak long distance services, the following 10 are projected to break-even on a short-term avoidable cost basis:

Silver Star	New York-Florida
Broadway Limited	Chicago-Philadelphia-New York
Silver Meteor	New York-Florida
California Zephyr	Chicago-Salt Lake City-Oakland
Coast Starlight	Los Angeles-Seattle
Lake Shore Limited	Chicago-New York/Boston
Old Dominion	New York-Newport News
Palmetto	New York-Jacksonville
Desert Wind	(Chicago)-Salt Lake City-Los Angeles
Auto Train	Lorton, VA-Sanford,FL

FEDERAL SUBSIDY PER PASSENGER

Mr. CARR. Please update the data showing average federal operating subsidy per passenger, as shown on page 774 of last year's hearing record, by providing data for fiscal years 1988 to 1994.

[The information follows:]

Shown below is the average federal operating subsidy per passenger for fiscal years 1988–1994.

Fiscal year	Operating subsidy (millions)	Intercity ridership (millions)	Subsidy per rider (dollars)
1988	532.2	21.497	24.76
1989	553.8	21.364	25.92
1990	520.1	22.179	23.45
1991	343.1	22.032	15.57
1992	331.0	21.354	15.50
1993 budget [1]	388.5	22.125	17.56
1994 estimate	381.0	22.800	16.71

[1] Includes the FY93 Supplemental Request of $57.5 million.

Note. Beginning fiscal year 1991, reflects the removal of Federally Mandated excess RRTA and RUIA payments made by FRA on Amtrak's behalf.

GSA MANDATED FEDERAL EMPLOYEE TRAVEL

Mr. CARR. Please update the listing of those routes in which Amtrak was awarded a contract through GSA's mandated employee travel program, as shown on pages 776 to 778 of last year's hearing record, by providing any new awards since January 1, 1992.

[The information follows:]

GSA
1993 AIR-RAIL PASSENGER TRAVEL
SOLICITATION AWARDS

CITY PAIRS	AMTRAK FY93 BID	AMTRAK AWARDS	CARRIER AWARDS	OTHER CARRIER AWARD BIDS
ALBANY-NEW YORK (JFK)	29.00	--	RZ PAN AN EXP.	65.00
ALBANY-NEW YORK (LGA)	29.00	**29.00**	--	--
ATLANTIC CITY-NEW YORK (JFK)	29.00	--	RZ PAN AM EXP.	95.00
ATLANTIC CITY-NEWARK (EWR)	29.00	--	NW NORTHWEST	57.00
ATLANTIC CITY-PHILADELPHIA	10.00	**10.00**	--	--
ATLANTIC CITY-WASHINGTON (BWI)	25.00	**25.00**	--	--
ATLANTIC CITY-WASHINGTON (DCA)	30.00	**30.00**	--	--
BOSTON-NEW YORK (JFK)	45.00	--	TW TRANSWORLD	79.00
BOSTON-NEW YORK (LGA)	45.00	--	US USAIR	65.00
BOSTON-NEWARK (EWR)	45.00	--	NW NORTHWEST	69.00
CHARLOTTE-RALEIGH/DURHAM	24.00	--	US USAIR	162.00
CHICAGO-DETROIT (MDW-DTW)	22.00	--	NW NORTHWEST	51.00
CHICAGO-DETROIT (ORD-DET)	22.00	**22.00**	--	--
CHICAGO-DETROIT (ORD-DTW)	22.00	--	NW NORTHWEST	41.00
CHICAGO-GRAND RAPIDS (ORD)	25.00	--	UA UNITED	85.00
CHICAGO-GRAND RAPIDS (MDW)	25.00	**25.00**	--	--
CHICAGO-MILWAUKEE (MDW)	13.00	**13.00**	--	--
CHICAGO-MILWAUKEE (ORD)	13.00	**13.00**	--	--
CHICAGO-SPRINGFIELD (ORD)	24.00	**24.00**	--	--
GREENSBORO-RALEIGH/DURHAM	10.00	**10.00**	--	--
HARRISBURG-NEW YORK	33.00	--	RZ PAN AM EXP.	120.00
HARRISBURG-PHILADELPHIA	14.00	**14.00**	--	--
JACKSONVILLE-SAVANNAH	29.00	**29.00**	--	--
LOS ANGELES-OXNARD	10.00	**10.00**	--	--
LOS ANGELES-SAN DIEGO	15.00	--	OE WESTAIR	31.00
MIAMI-WEST PALM BEACH	9.00	**9.00**	--	--
NEW YORK-PHILADELPHIA (JFK)	46.00	--	TW TRANSWORLD	65.00
NEW YORK-PHILADELPHIA (LGA)	46.00	**46.00**	--	--
NEW YORK-PROVIDENCE (JFK)	39.00	--	RZ PAN AM EXP.	74.00
NEW YORK-PROVIDENCE (LGA)	39.00	--	US USAIR	119.00
NEW YORK-WASHINGTON (JFK-BWI)	55.00	--	US USAIR	70.00
NEW YORK-WASHINGTON (LGA-BWI)	55.00	**55.00**	--	--
NEW YORK-WASHINGTON (JFK-DCA)	55.00	--	TW TRANSWORLD	95.00
NEW YORK-WASHINGTON (JFK-IAD)	55.00	--	DH JETWORLD	110.00
NEW YORK-WASHINGTON (LGA-DCA)	55.00	--	US USAIR	65.00
NEW YORK-WASHINGTON (LGA-IAD)	55.00	--	UA UNITED	58.00
NEWARK-PHILADELPHIA	46.00	--	UA USAIR	44.00
NEWARK-WASHINGTON (EWR-BWI)	55.00	--	CO CONTINENTAL	112.00
NEWARK-WASHINGTON (EWR-DCA)	55.00	--	CO CONTINENTAL	165.00
NEWARK-WASHINGTON (EWR-IAD)	55.00	--	UA UNITED	73.00
PHILADELPHIA-WASHINGTON (BWI)	40.00	**40.00**	--	--
PHILADELPHIA-WASHINGTON (DCA)	45.00	**45.00**	--	--
PHILADELPHIA-WASHINGTON (IAD)	45.00	--	UA UNITED	102.00
TRENTON-WASHINGTON (DCA)	64.00	**64.00**	--	--

12/16/92

FEDERAL EMPLOYERS LIABILITY ACT (FELA)

Mr. Carr. Please update the data on Amtrak's payments and expenses under the Federal Employers Liability Act, FELA, as shown on page 791 of last year's hearing record.

[The information follows:]

AMTRAK'S FELA PAYMENTS AND EXPENSES
(Calendar Year)

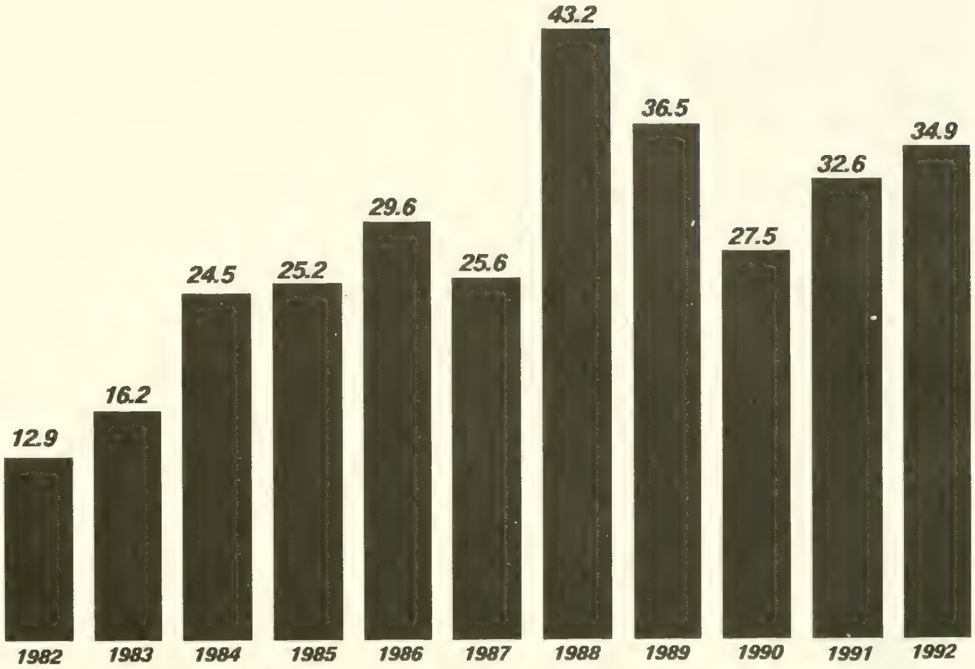
Year	Claims and lawsuits closed	Average claim payment ($000)	Average lawsuit payment ($000)	Total payment to plantiffs and their attorneys (millions)	Legal defense expenses (millions)	Medical payments (millions)	Administra-tive expenses (millions)	Total FELA costs (millions)
1982	1,771	$3.3	$29.5	$12.9	$1.3	$1.7	$1.5	$17.4
1983	1,473	3.7	40.2	16.2	1.9	2.5	1.5	22.1
1984	1,393	5.3	58.0	24.5	1.9	2.7	1.6	30.7
1985	1,483	6.1	69.2	25.2	1.6	3.3	1.8	31.9
1986	1,674	7.8	57.1	29.6	2.2	3.5	2.1	37.4
1987	1,615	6.4	54.0	25.6	3.1	3.1	2.2	34.0
1988	1,695	8.6	76.9	43.2	4.5	4.3	2.2	53.8
1989	1,485	9.6	64.5	36.5	5.0	4.2	2.2	47.9
1990	1,300	10.3	49.2	27.5	4.8	4.7	2.2	39.2
1991	1,322	11.5	58.7	32.6	5.1	4.5	2.5	44.7
1992	1,413	10.7	64.4	34.9	6.7	5.0	2.6	49.2

ANNUAL FELA PAYOUTS

Mr. CARR. Please also update the bar graph showing annual FELA payouts made by Amtrak as found on page 792 of last year's hearing record.

[The information follows:]

AMTRAK
FELA PAYOUTS FY1982 - FY1992
($MILLIONS)



Resource Management DMZ/LPB

12 May-93

ATLANTIC CITY SERVICE

Mr. Carr. Please update the data on the financial performance of your Atlantic City, New Jersey, service, as shown on page 816 of last year's hearing record.

[The information follows:]

Atlantic City Express Performance

Month	Ridership (000)	Short-Term Avoidable Loss (1) ($000)	Short-Term Avoidable Loss/PM (1) ($)
May 1989 (2)	8	(149)	(0.177)
June	22	(635)	(0.250)
July	26	(624)	(0.206)
August	26	(586)	(0.197)
September	24	(660)	(0.226)
TOTAL FY89	**106**	**(2,653)**	**(0.216)**
October 1989	24	(629)	(0.217)
November	23	(691)	(0.234)
December	22	(651)	(0.237)
January 1990	23	(636)	(0.214)
February	27	(552)	(0.153)
March	39	(448)	(0.087)
April	44	(408)	(0.066)
May	43	(460)	(0.075)
June	38	(422)	(0.080)
July	42	(434)	(0.076)
August	41	(548)	(0.096)
September	33	(581)	(0.127)
TOTAL FY90	**398**	**(6,459)**	**(0.120)**
October 1990	30	(450)	(0.105)
November	29	(499)	(0.118)
December	25	(517)	(0.149)
January 1991	24	(554)	(0.162)
February	27	(501)	(0.113)
March	37	(366)	(0.062)
April	37	(319)	(0.052)
May	41	(321)	(0.050)
June	42	(225)	(0.035)
July	47	(267)	(0.038)
August	49	(186)	(0.026)
September	35	(367)	(0.072)
TOTAL FY91	**423**	**(4,572)**	**(0.071)**
October 1991	32	(289)	(0.057)
November	26	(234)	(0.054)
December	19	(344)	(0.110)
January 1992	21	(293)	(0.085)
February	27	(200)	(0.044)
March	26	(207)	(0.049)
April	27	(191)	(0.041)
May	33	(97)	(0.017)
June	25	(156)	(0.038)
July	29	(147)	(0.030)
August	32	(61)	(0.011)
September (3)	24	(7)	(0.002)
TOTAL FY92	**321**	**(2,226)**	**(0.042)**
October 1992	25	(155)	(0.038)
November	21	(175)	(0.049)
December	16	(224)	(0.084)
January 1993	19	(223)	(0.070)
February	21	(170)	(0.046)
TOTAL FY93 (To Date)	**102**	**(947)**	**(0.055)**

Notes:

(1) The calculation of this ratio does not include connecting revenue.

(2) Regularly sceduled intercity service started May 23, 1989.

(3) Reflects year-end accounting adjustments.

POOREST PERFORMING LONG DISTANCE ROUTES

Mr. Carr. Please update the information on Amtrak's three poorest performing long distance routes, and provide a narrative description of Amtrak's attempts to improve that performance, similar to the information shown on pages 818 to 819 of last year's hearing record.

[The information follows:]

The three poorest performing long-distance trains based on the short-term loss per passenger mile forecast for FY93 are Washington-Montreal *Montrealer* (5.6 cent loss per passenger mile); Miami-Los Angeles *Sunset Limited* (5.1 cent loss per passenger mile); and the Chicago-Washington-New York *Cardinal* (4.4 cent loss per passenger mile).

- The *Montrealer*'s loss per passenger mile projection for FY93 is 5.6 cents, the highest of any long-distance service, but an improvement from FY92. Both ridership and revenues have increased over the last several years with efforts to increase ridership including off-peak promotional fares. Efforts to reduce costs and improve overall route performance in FY92 included reducing the size of the consist. as well as changing the Heritage Fleet coaches to Amfleet II coaches. The introduction of mail service between Philadelphia and White River Junction in October 1992 has also increased this route's revenues.

- The *Sunset Limited* is hindered by a tri-weekly schedule. The *Sunset Limited*'s infrequent service restricts the days in which a passenger may use the train; consequently, short-duration and business passengers are more likely to use other modes of transportation. Additionally, the aggressive marketing strategy, frequent service and low fares of Southwest Airlines have hindered the *Sunset Limited*'s market penetration. The April 1993 tri-weekly *Sunset Limited* extension beyond New Orleans to Miami has added major origination and destination possibilities, linking many of the fastest growing Sunbelt cities in California, Arizona, Texas and Florida. This action strengthens the ridership base of this train, and creates America's first transcontinental rail service.

- The *Cardinal*, once the system's poorest performing long-distance routes, is showing consistent improvement. The demise of regional Greyhound bus service has left Amtrak as the only east-west carrier through central West Virginia. Additionally, the relegation of air service to commuter carriers at often uncompetitive prices has also positively affected the *Cardinal*'s ridership and revenues.

  The modification of the *Cardinal*'s consist in 1992, replacing a Heritage diner with an Amdinette, due to a shortage of suitable equipment, has temporarily reduced food service levels. The *Cardinal* is projected to lose 4.4 cents per passenger mile in FY93, a significant improvement over FY92's loss of 5.6 cents. When sufficient numbers of single level cars become available, Amtrak plans to begin daily operation of the *Cardinal*, thereby enhancing a traveler's ability to utilize the train, especially for short-duration and weekend trips. This could happen as early as the fall of 1994, provided the Superliner production program remains on schedule.

POOREST PERFORMING SHORT DISTANCE ROUTES

Mr. Carr. Please provide a similar statement regarding Amtrak's three poorest performing short distance routes, similar to that shown on pages 821 to 822 of last year's hearing record.

[The information follows:]

The three poorest performing short-distance routes based on the FY93 forecast of short-term loss per passenger mile criterion are: Chicago-St.Louis (7.3 cents); Chicago-Indianapolis (5.3 cents);and Portland-Seattle (4.5 cents).

- The basic **Chicago-St.Louis** route is projected to have a 7.3 cent loss per passenger mile for FY93. Due to the joint operation of 403(b) and basic system services, a disproportionate amount of costs are assigned to the basic system, with 403(b) service assessed incremental costs only. When separated, this disadvantages the basic system services, although the route as a whole has a loss of only 4.3 cents per passenger mile.

  This route was named one of five high-speed rail corridors by the Federal Railroad Administration (FRA) of the United States Department of Transportation (DOT). The DOT has allocated $3 million in FY93, as the first year of a six year funding program, for the 647 mile Midwest corridor, linking Detroit, Chicago, Milwaukee and St. Louis for highway crossing eliminations, as well as other right of way improvements.

- **Chicago-Indianapolis** route is projected to improve over FY92 to 5.3 cent short-term avoidable loss per passenger mile. While this route is projected to show improvement in FY93 reflecting the strengthening national economy, this market has been adversely affected by the entry of Southwest Airlines (with its low air fares) and by the train's relatively slow running times.

- **Portland-Seattle** has one of the lowest population densities of any short-distance corridor. The region's economy is highly cyclical in nature, and the per capita income of the population is relatively low. Taken in combination, these factors force correspondingly low fares.

  The Portland-Seattle route has steadily reduced its loss per passenger mile over the last three years, and is projected to continue to improve as highway congestion increases on I-5 in the Seattle area. Passenger ridership in this market increased over 10 percent between 1991 and 1992 and ridership is expected to continue to increase during 1993. In FY92, the route posted a loss of 6.0 cents per passenger mile and the route is expected to narrow its losses again to 4.5 cents per passenger mile in FY93.

  The Portland-Seattle-Vancouver route, like the Chicago-St Louis route, was named one of five high-speed rail corridors. Oregon and Washington have been allocated $250,000 in FY93 to begin eliminating grade crossings along the 464 mile Pacific Northwest corridor connecting Eugene, Portland, Seattle and Vancouver. Additionally, Amtrak has evaluated several proposals for providing 403(b) service for the state of Washington, to operate additional round-trips between Seattle and Portland, as well as multiple round-trips between Seattle and Vancouver.

COMMUTER SERVICE REVENUES

Mr. CARR. Please provide a breakdown of estimated fiscal years 1993 and 1994 commuter service revenues by route location, similar to the information shown on page 824 of last year's hearing record.

[The information follows:]

The following is a breakdown of commuter service revenues:

[Dollars in millions]

	Estimated revenues	
	Fiscal year 1993	Fiscal year 1994
MBTA	90.1	96.8
Northern Virginia	8.5	10.6
California Peninsula Svc	26.3	27.3
Southern California Commuter	11.6	17.0
Conn Dot	5.3	5.5
Maryland	8.6	8.9
Orange County	1.9	2.0
Florida Tri-County		8.9
Total	152.3	177.0

PASSENGER COMPLAINTS

Mr. CARR. Please update the statistics shown on page 829 of last year's hearing record concerning comments and complaints about Amtrak service.

[The information follows:]

Comment Group	Fiscal Year 1991 Number	Fiscal Year 1991 Percent of Total	Fiscal Year 1992 Number	Fiscal Year 1992 Percent of Total	Percent Change
1. Equipment Complaints/Consist	9,258	16.8	8,847	15.6	-4.4
2. Commendations	4,114	7.5	4,564	8.1	10.9
3. Miscellaneous	12,656	22.9	11,405	20.1	-9.9
4. Personnel	6,706	12.1	7,083	12.5	5.6
5. Schedules/reservations/policies: fares, lost, stolen, destroyed tickets, reservation/ticket offices, travel agency, and tours	6,374	11.5	7,464	13.2	17.1
6. Train Performance	8,118	14.7	8,937	15.8	10.1
7. Baggage and Express	2,688	4.9	2,676	4.7	-0.4
8. Other Categories including: passenger problems enroute, complimentary services, food service, stations, and police	5,284	9.6	5,628	9.9	6.5
TOTAL:	55,198		56,604		2.5

403(b) AND 403(d) SERVICES

Mr. CARR. Please provide data on section 403(b) and 403(d) services for fiscal years 1993 and 1994, similar to that shown on pages 858 and 859 of last year's hearing record.

[The information follows:]

FY1993 403(b) AND 403(d) SERVICES

(000's of $)

	PROJECTED STATE CONTRIBUTION 1/	PROJECTED AMTRAK CONTRIBUTION 2/	PM/TM	REVENUE/ COST RATIO 3/	SHORT-TERM AVOIDABLE PROFIT/ (LOSS)/PM
403(b) SERVICES					
Philadelphia-Harrisburg	163	179	31	0.74	(0.023)
Chicago-Springfield-(St. Louis)	899	653	81	0.85	0.008
Chicago-Milwaukee 4/	291	268	64	0.90	0.007
Chicago-Carbondale 5/	118	976	92	0.76	(0.006)
Chicago-Quincy	722	720	80	0.81	(0.007)
Santa Barbara-San Diego 6/	1,006	202	171	0.99	0.028
San Jose-Roseville 7/	5,437	256	85	0.97	0.046
Oakland-Bakersfield 8/	9,275	(209)	97	1.01	0.046
(New York)-Albany-Montreal	589	1,067	135	0.79	(0.008)
Chicago-Port Huron-(Toronto)	531	268	91	0.93	0.019
Birmingham-Mobile 4/	1,116	867	132	0.81	0.001
Kansas City-St. Louis	1,370	956	85	0.85	0.005
Pittsburgh-PHL-(New York)	257	(1,261)	152	1.23	0.061
Chicago-Grand Rapids	387	237	84	0.91	0.016
(NYP)-RMT-Charlotte 4/,9/	978	(3,479)	209	1.43	0.067
Raleigh-Charlotte 10/	914	293	26	0.80	(0.058)
TOTAL 403(b) SERVICES	24,053	1,993	112	0.98	0.030
403(d) SERVICES					
New York-Philadelphia	-	(1,689)	444	1.16	0.049
Philadelphia-Harrisburg	-	711	52	0.47	(0.103)
New York-Harrisburg	-	(719)	161	1.29	0.077
TOTAL 403(d) SERVICES	-	(1,697)	280	1.12	0.048

1/ Projected state contribution is based on 45 percent of short-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus 50 percent of the associated equipment charges, if applicable, unless otherwise noted.

2/ Equals route revenue (including state contribution for 403(b) routes) minus long-term avoidable cost.

3/ The ratio of route revenue (including state contribution for 403(b) routes) to long-term avoidable cost.

4/ Projected state contribution is based on 45 percent of long-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus 50 percent of the associated equipment charges, if applicable.

5/ Shown is the impact of Chicago-Carbondale service, although the train is subsidized by the State of Illinois between Chicago and Champaign only.

6/ One Los Angeles-Santa Barbara round-trip extension added effective 10/28/90 with state contribution based on 45 percent of long-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus 50 percent of the associated equipment charges. The remainder of the route's 403(b) trains are based on the standard short-term avoidable loss method.

7/ Projected state contribution based on 45 percent of long-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus equipment charges based on a separate agreement.

8/ Projected state contribution is based on the standard short-term avoidable loss method, excluding third frequency equipment which is based on a separate agreement. Fourth Oakland-Bakersfield round trip added effective 10/25/92 with state contribution based on 70 percent of long-term avoidable loss

9/ Shown is the impact of Washington-Charlotte service with through ridership to New York, although the train is subsidized by the State of North Carolina between Rocky Mount and Charlotte only.

10/ Includes a separate Raleigh-Charlotte daily round-trip frequency effective 1/1/93 with a projected state contribution based on 65 percent of long-term avoidable loss.

FY1994 403(b) AND 403(d) SERVICES
(000's of $)

	PROJECTED STATE CONTRIBU-TION 1/	PROJECTED AMTRAK CONTRIBU-TION 2/	PM/TM	REVENUE/ COST RATIO 3/	SHORT-TERM AVOIDABLE PROFIT/ (LOSS)/PM
403(b) SERVICES					
Boston-Portland 4/	1,095	1,238	27	0.63	(0.092)
Philadelphia-Harrisburg	166	191	32	0.74	(0.025)
Chicago-Springfield-(St. Louis)	885	732	82	0.84	0.006
Chicago-Milwaukee 4/	280	309	65	0.89	0.006
Chicago-Carbondale 5/	113	1,031	93	0.76	(0.006)
Chicago-Quincy	715	791	82	0.80	(0.009)
Santa Barbara-San Diego 6/	995	278	173	0.98	0.029
San Jose-Roseville 7/	5,414	522	87	0.95	0.037
Oakland-Bakersfield 8/	9,422	45	98	1.00	0.044
(New York)-Albany-Montreal	558	1,172	137	0.78	(0.010)
Chicago-Port Huron-(Toronto)	507	328	92	0.92	0.018
Birmingham-Mobile 4/	1,127	850	135	0.82	0.003
Kansas City-St. Louis	1,376	1,052	87	0.84	0.004
Pittsburgh-PHL-(New York)	246	(1,287)	154	1.23	0.063
Chicago-Grand Rapids	373	280	85	0.89	0.014
(NYP)-RMT-Charlotte 4/,9/	978	(3,573)	215	1.41	0.068
Raleigh-Charlotte 10/	1,270	430	20	0.79	(0.087)
TOTAL 403(b) SERVICES	25,520	4,389	109	0.96	0.028
403(d) SERVICES					
New York-Philadelphia	-	(1,729)	449	1.15	0.051
Philadelphia-Harrisburg	-	744	52	0.47	(0.106)
New York-Harrisburg	-	(743)	163	1.28	0.079
TOTAL 403(d) SERVICES	-	(1,728)	283	1.11	0.049

1/ Projected state contribution is based on 45 percent of short-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus 50 percent of the associated equipment charges, unless otherwise noted.

2/ Equals route revenue (including state contribution for 403(b) routes) minus long-term avoidable cost.

3/ The ratio of route revenue (including state contribution for 403(b) routes) to long-term avoidable cost.

4/ Projected state contribution is based on 45 percent of long-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus 50 percent of the associated equipment charges, if applicable.

5/ Shown is the impact of Chicago-Carbondale service, although the train is subsidized by the State of Illinois between Chicago and Champaign only.

6/ One Los Angeles-Santa Barbara round-trip extension added effective 10/28/90 with state contribution based on 45 percent of long-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus 50 percent of the associated equipment charges. The remainder of the route's 403(b) trains are based on the standard short-term avoidable loss method.

7/ Projected state contribution based on 45 percent of long-term avoidable loss in the first year, 65 percent in the second and subsequent years, plus equipment charges based on a separate agreement.

8/ One Oakland-Bakersfield round trip added effective 10/25/92 with state contribution based on 70 percent of long-term avoidable loss plus 50 percent of the associated equipment charges. The remainder of the route's 403(b) trains are based on the standard short-term avoidable loss method.

9/ Shown is the impact of Washington-Charlotte service with through ridership to New York, although the train is subsidized by the State of North Carolina between Rocky Mount and Charlotte only.

10/ Includes a separate Raleigh-Charlotte daily round-trip frequency effective 1/1/93 with a projected state contribution based on 65 percent of long-term avoidable loss.

ROUTE STATISTICS

Mr. CARR. Please update the route financial performance statistics found on pages 860 to 864 of last year's hearing record by providing data for fiscal years 1991 through 1994.

[The information follows:]

FY91 ACTUAL ROUTE STATISTICS

	REVENUE/ COST RATIO (1)	PM/TM	SHORT-TERM AVOIDABLE PROFIT/ (LOSS)/PM (2)
NORTHEAST CORRIDOR			
METROLINERS	2 11	124	0 265
NEC CONVENTIONALS	1 54	185	0 113
ATLANTIC CITY	0 48	118	(0 071)
NEW YORK-PHILADELPHIA	0 94	90	0 049
PHILADELPHIA-HARRISBURG	0 57	60	(0 049)
TOTAL NEC	1 59	160	0 133
SHORT DISTANCE			
NEW YORK-ALBANY-NIAGARA FALLS	0 94	127	0 026
CHICAGO-ST LOUIS	0 53	61	(0 062)
CHICAGO-MILWAUKEE	0 57	88	(0 051)
CHICAGO-DETROIT-TOLEDO	0 57	112	(0 040)
LOS ANGELES-SAN DIEGO	0 84	175	0 006
PORTLAND-SEATTLE	0 51	101	(0 069)
CHICAGO-INDIANAPOLIS	0 54	137	(0 045)
TOTAL SHORT DISTANCE	0 77	118	(0 004)
403(b) SERVICES			
PHILADELPHIA-HARRISBURG	0 59	31	(0 062)
CHICAGO-SPRINGFIELD-(ST LOUIS)	0 64	72	(0 042)
CHICAGO-MILWAUKEE	0 79	68	(0 010)
CHICAGO-CARBONDALE	0 76	92	0 000
CHICAGO-QUINCY	0 78	76	(0 005)
SANTA BARBARA-SAN DIEGO	0 87	158	0 014
OAKLAND-BAKERSFIELD	0 91	103	0 027
(NEW YORK)-ALBANY-MONTREAL	0 77	111	(0 020)
CHICAGO-PORT HURON-(TORONTO)	0 81	84	0 003
BIRMINGHAM-MOBILE	0 74	123	(0 005)
KANSAS CITY-ST LOUIS	0 79	83	0 000
PITTSBURGH-PHILADELPHIA-(NEW YORK)	1 21	154	0 061
CHICAGO-GRAND RAPIDS	0 82	81	0 006
(NYP)-WASHINGTON-RMT-CHARLOTTE	1 21	221	0 054
TOTAL 403(b) SERVICES	0 88	113	0 015
403(d) SERVICES			
NEW YORK-PHILADELPHIA	1 30	388	0 078
PHILADELPHIA-HARRISBURG	0 67	84	(0 017)
NEW YORK-HARRISBURG	1 37	171	0 082
CHICAGO-VALPARAISO	0 26	95	(0 288)
TOTAL 403(d) SERVICES	1 21	252	0 069
LONG DISTANCE			
WASHINGTON-MONTREAL (MONTREALER)	0 44	159	(0 100)
NYP-FLA (SILVER STAR)	0 81	282	0 007
CHICAGO-PHIL-NEW YORK (BROADWAY LIMITED)	0 77	186	(0 001)
CHICAGO-WASH-NEW YORK (CARDINAL)	0 57	174	(0 052)
NYP-FLA (SILVER METEOR)	0 89	323	0 016
CHICAGO-SEATTLE/PORTLAND (EMPIRE BUILDER)	0 68	195	(0 016)
CHICAGO-WASHINGTON (CAPITOL LIMITED)	0 69	160	(0 020)
CHICAGO-SLC-OAKLAND (CALIFORNIA ZEPHYR) (3)	0 76	208	(0 005)
CHICAGO-LOS ANGELES (SOUTHWEST CHIEF)	0 78	188	0 002
CHICAGO-NEW ORLEANS (CITY OF NEW ORLEANS)	0 62	168	(0 024)
CHICAGO-TEXAS-(LA) (TEXAS EAGLE) (4)	0 53	199	(0 041)
NEW ORLEANS-SAS-LA (SUNSET LIMITED) (4)	0 53	199	(0 043)
LOS ANGELES-SEATTLE (COAST STARLIGHT)	0 84	343	0 009
CHICAGO-NEW YORK/BOSTON (LAKESHORE LIMITED)	0 91	235	0 024
BOSTON-NEWPORT NEWS (COLONIAL/VIRGINIAN)	1 20	293	0 052
NEW YORK-JACKSONVILLE (PALMETTO)	0 91	192	0 019
(CHI)-DEN-SEATTLE (PIONEER) (3)	0 54	208	(0 035)
NEW YORK-NEW ORLEANS (CRESCENT)	0 75	218	(0 002)
(KCY)-STL-CEN-(NOL) (RIVER CITIES)	0 53	111	(0 038)
(CHI)-SLC-LOS ANGELES (DESERT WIND) (3)	0 81	208	0 011
AUTO TRAIN	1 09	312	0 058
TOTAL LONG DISTANCE	0 77	224	(0 001)
ROUTE TOTAL	0 98	185	0 031

(1) THE RATIO OF ROUTE REVENUE (INCLUDING STATE PAYMENTS FOR 403(b) ROUTES) TO LONG-TERM AVOIDABLE COSTS

(2) EQUALS SHORT-TERM AVOIDABLE PROFIT/ (LOSS) DIVIDED BY PASSENGER MILES SHORT-TERM AVOIDABLE PROFIT/(LOSS) EQUALS ROUTE REVENUE MINUS SHORT-TERM AVOIDABLE COSTS

(3) COMBINED PM/TM SHOWN FOR CHICAGO-SLC-OAKLAND, (CHI)-SLC-LOS ANGELES, AND (CHI)-DEN-SEATTLE ROUTES

(4) COMBINED PM/TM SHOWN FOR CHICAGO-TEXAS-(LA) AND NEW ORLEANS-SAS-LOS ANGELES ROUTES

FY92 ACTUAL ROUTE STATISTICS

	REVENUE/ COST RATIO (1)	PM/TM	SHORT-TERM AVOIDABLE PROFIT/ (LOSS)/PM (2)
NORTHEAST CORRIDOR			
METROLINERS	2.08	124	0.263
NEC CONVENTIONALS	1.50	174	0.109
ATLANTIC CITY	0.60	119	(0.042)
NEW YORK-PHILADELPHIA	1.00	118	0.045
PHILADELPHIA-HARRISBURG	0.56	57	(0.085)
TOTAL NEC	1.58	154	0.133
SHORT DISTANCE			
NEW YORK-ALBANY-NIAGARA FALLS	0.83	122	0.017
CHICAGO-ST. LOUIS	0.56	68	(0.054)
CHICAGO-MILWAUKEE	0.50	78	(0.084)
CHICAGO-DETROIT-TOLEDO	0.60	107	(0.037)
LOS ANGELES-SAN DIEGO	0.85	167	0.007
PORTLAND-SEATTLE	0.52	104	(0.060)
CHICAGO-INDIANAPOLIS	0.49	108	(0.068)
TOTAL SHORT DISTANCE	0.73	113	(0.009)
403(b) SERVICES			
PHILADELPHIA-HARRISBURG	0.73	30	(0.027)
CHICAGO-SPRINGFIELD-(ST. LOUIS)	0.68	76	(0.029)
CHICAGO-MILWAUKEE	0.80	59	(0.013)
CHICAGO-CARBONDALE	0.73	87	(0.010)
CHICAGO-QUINCY	0.79	76	(0.007)
SANTA BARBARA-SAN DIEGO	0.89	159	0.016
SAN JOSE-ROSEVILLE	0.94	76	0.036
OAKLAND-BAKERSFIELD	0.95	108	0.034
(NEW YORK)-ALBANY-MONTREAL	0.78	129	(0.014)
CHICAGO-PORT HURON-(TORONTO)	0.79	85	(0.006)
BIRMINGHAM-MOBILE	0.83	121	0.001
KANSAS CITY-ST. LOUIS	0.75	80	(0.011)
PITTSBURGH-PHILADELPHIA-(NEW YORK)	1.07	142	0.044
CHICAGO-GRAND RAPIDS	0.85	79	0.011
(NYP)-WASHINGTON-RMT-CHARLOTTE	1.15	198	0.046
TOTAL 403(b) SERVICES	0.89	110	0.017
403(d) SERVICES			
NEW YORK-PHILADELPHIA	1.33	421	0.063
PHILADELPHIA-HARRISBURG	0.49	52	(0.082)
NEW YORK-HARRISBURG	1.42	161	0.087
TOTAL 403(d) SERVICES	1.26	271	0.060
LONG DISTANCE			
WASHINGTON-MONTREAL (MONTREALER)	0.51	179	(0.070)
NYP-FLA (SILVER STAR)	0.85	311	0.007
CHICAGO-PHIL-NEW YORK (BROADWAY LIMITED)	0.83	174	0.000
CHICAGO-WASH-NEW YORK (CARDINAL)	0.57	163	(0.056)
NYP-FLA (SILVER METEOR)	0.89	294	0.012
CHICAGO-SEATTLE/PORTLAND (EMPIRE BUILDER)	0.67	187	(0.019)
CHICAGO-WASHINGTON (CAPITOL LIMITED)	0.74	173	(0.018)
CHICAGO-SLC-OAKLAND (CALIFORNIA ZEPHYR) (3)	0.73	188	(0.013)
CHICAGO-LOS ANGELES (SOUTHWEST CHIEF)	0.75	198	(0.004)
CHICAGO-NEW ORLEANS (CITY OF NEW ORLEANS)	0.64	161	(0.030)
CHICAGO-TEXAS-(LA) (TEXAS EAGLE) (4)	0.51	185	(0.049)
NEW ORLEANS-SAS-LA (SUNSET LIMITED) (4)	0.51	185	(0.054)
LOS ANGELES-SEATTLE (COAST STARLIGHT)	0.82	316	0.004
CHICAGO-NEW YORK/BOSTON (LAKESHORE LIMITED)	0.85	242	0.005
BOSTON-NEWPORT NEWS (COLONIAL/VIRGINIAN)	1.12	265	0.044
NEW YORK-JACKSONVILLE (PALMETTO)	0.88	168	0.012
(CHI)-DEN-SEATTLE (PIONEER) (3)	0.50	188	(0.048)
NEW YORK-NEW ORLEANS (CRESCENT)	0.76	201	(0.012)
(KCY)-STL-CEN-(NOL) (RIVER CITIES)	0.57	109	(0.041)
(CHI)-SLC-LOS ANGELES (DESERT WIND) (3)	0.75	188	0.002
AUTO TRAIN	1.14	299	0.059
TOTAL LONG DISTANCE	0.76	215	(0.007)
ROUTE TOTAL	0.95	177	0.026

(1) THE RATIO OF ROUTE REVENUE (INCLUDING STATE PAYMENTS FOR 403(b) ROUTES) TO LONG-TERM AVOIDABLE COSTS

(2) EQUALS SHORT-TERM AVOIDABLE PROFIT/ (LOSS) DIVIDED BY PASSENGER MILES. SHORT-TERM AVOIDABLE PROFIT/(LOSS) EQUALS ROUTE REVENUE MINUS SHORT-TERM AVOIDABLE COSTS

(3) COMBINED PM/TM SHOWN FOR CHICAGO-SLC-OAKLAND, (CHI)-SLC-LOS ANGELES, AND (CHI)-DEN-SEATTLE ROUTES

(4) COMBINED PM/TM SHOWN FOR CHICAGO-TEXAS-(LA) AND NEW ORLEANS-SAS-LOS ANGELES ROUTES

FY93 FORECAST ROUTE STATISTICS

	REVENUE/ COST RATIO (1)	PM/TM	SHORT-TERM AVOIDABLE PROFIT/ (LOSS)/PM (2)
NORTHEAST CORRIDOR			
METROLINERS	1 98	121	0 265
NEC CONVENTIONALS	1 58	178	0 125
ATLANTIC CITY	0 67	134	(0 027)
NEW YORK-PHILADELPHIA	0 82	116	0 013
PHILADELPHIA-HARRISBURG	0 54	61	(0 081)
TOTAL NEC	1 62	155	0 146
SHORT DISTANCE			
NEW YORK-ALBANY-NIAGARA FALLS	0 95	133	0 031
CHICAGO-ST LOUIS	0 51	71	(0 073)
CHICAGO-MILWAUKEE	0 62	80	(0 050)
CHICAGO-DETROIT-TOLEDO	0 66	113	(0 027)
LOS ANGELES-SAN DIEGO	0.87	157	0 007
PORTLAND-SEATTLE	0 60	109	(0 045)
CHICAGO-INDIANAPOLIS	0 57	113	(0 053)
TOTAL SHORT DISTANCE	0.81	120	0 000
403(b) SERVICES			
PHILADELPHIA-HARRISBURG	0 74	31	(0 023)
CHICAGO-SPRINGFIELD-(ST LOUIS)	0.85	81	0 008
CHICAGO-MILWAUKEE	0 90	64	0 007
CHICAGO-CARBONDALE	0 76	92	(0 006)
CHICAGO-QUINCY	0 81	80	(0 007)
SANTA BARBARA-SAN DIEGO	0 99	171	0 028
SAN JOSE-ROSEVILLE	0 97	85	0 046
OAKLAND-BAKERSFIELD	1 01	97	0 046
(NEW YORK)-ALBANY-MONTREAL	0 79	135	(0 008)
CHICAGO-PORT HURON-(TORONTO)	0 93	81	0 019
BIRMINGHAM-MOBILE	0 81	132	0 001
KANSAS CITY-ST LOUIS	0 85	85	0 005
PITTSBURGH-PHILADELPHIA-(NEW YORK)	1 23	152	0 061
CHICAGO-GRAND RAPIDS	0 91	84	0 016
(NYP)-WASHINGTON-RMT-CHARLOTTE	1 43	209	0 067
RALEIGH-CHARLOTTE	0 80	26	(0 058)
TOTAL 403(b) SERVICES	0 98	112	0 030
403(d) SERVICES			
NEW YORK-PHILADELPHIA	1 16	444	0.049
PHILADELPHIA-HARRISBURG	0 47	52	(0.103)
NEW YORK-HARRISBURG	1 29	161	0 077
TOTAL 403(d) SERVICES	1 12	280	0 048
LONG DISTANCE			
WASHINGTON-MONTREAL (MONTREALER)	0 57	188	(0 056)
NYP-FLA (SILVER STAR)	0 87	327	0 010
CHICAGO-PHIL-NEW YORK (BROADWAY LIMITED)	0.84	185	0 004
CHICAGO-WASH-NEW YORK (CARDINAL)	0 61	173	(0 044)
NYP-FLA (SILVER METEOR)	0.93	309	0 017
CHICAGO-SEATTLE/PORTLAND (EMPIRE BUILDER)	0 74	199	(0 008)
CHICAGO-WASHINGTON (CAPITOL LIMITED)	0 77	184	(0 009)
CHICAGO-SLC-OAKLAND (CALIFORNIA ZEPHYR) (3)	0 85	199	0 006
CHICAGO-LOS ANGELES (SOUTHWEST CHIEF)	0.76	210	(0 006)
CHICAGO-NEW ORLEANS (CITY OF NEW ORLEANS)	0.71	170	(0 015)
CHICAGO-TEXAS-(LA) (TEXAS EAGLE) (4)	0 59	197	(0 036)
MIAMI-NOL-SAS-LA (SUNSET LIMITED) (4)	0 56	197	(0 051)
LOS ANGELES-SEATTLE (COAST STARLIGHT)	0.93	331	0 017
CHICAGO-NEW YORK/BOSTON (LAKESHORE LIMITED)	0.93	254	0 020
NEW YORK-NEWPORT NEWS (COLONIAL/VIRGINIAN)	1 21	267	0 055
NEW YORK-JACKSONVILLE (PALMETTO)	1 01	178	0 030
(CHI)-DEN-SEATTLE (PIONEER) (3)	0 60	199	(0 029)
NEW YORK-NEW ORLEANS (CRESCENT)	0 81	213	(0 001)
(KCY)-STL-CEN-(NOL) (RIVER CITIES)	0 65	109	(0 021)
(CHI)-SLC-LOS ANGELES (DESERT WIND) (3)	0 77	199	0 006
AUTO TRAIN	1 14	313	0 070
TOTAL LONG DISTANCE	0 82	227	0 003
ROUTE TOTAL	1 01	184	0 035

(1) THE RATIO OF ROUTE REVENUE (INCLUDING STATE PAYMENTS FOR 403(b) ROUTES) TO LONG-TERM AVOIDABLE COSTS

(2) EQUALS SHORT-TERM AVOIDABLE PROFIT/ (LOSS) DIVIDED BY PASSENGER MILES SHORT-TERM AVOIDABLE PROFIT/(LOSS) EQUALS ROUTE REVENUE MINUS SHORT-TERM AVOIDABLE COSTS

(3) COMBINED PM/TM SHOWN FOR CHICAGO-SLC-OAKLAND, (CHI)-SLC-LOS ANGELES, AND (CHI)-DEN-SEATTLE ROUTES

(4) COMBINED PM/TM SHOWN FOR CHICAGO-TEXAS-(LA) AND MIAMI-NOL-SAS-LOS ANGELES ROUTES

FY94 FORECAST ROUTE STATISTICS

	REVENUE/ COST RATIO (1)	PM/TM	SHORT-TERM AVOIDABLE PROFIT/ (LOSS)/PM (2)
NORTHEAST CORRIDOR			
METROLINERS	1.98	123	0.274
NEC CONVENTIONALS	1.57	191	0.122
ATLANTIC CITY	0.68	136	(0.027)
NEW YORK-PHILADELPHIA	0.83	118	0.013
PHILADELPHIA-HARRISBURG	0.54	62	(0.083)
TOTAL NEC	1.61	164	0.145
SHORT DISTANCE			
NEW YORK-ALBANY-NIAGARA FALLS	0.95	135	0.032
CHICAGO-ST LOUIS	0.51	72	(0.074)
CHICAGO-MILWAUKEE	0.62	81	(0.052)
CHICAGO-DETROIT-TOLEDO	0.66	115	(0.027)
LOS ANGELES-SAN DIEGO	0.87	160	0.007
PORTLAND-SEATTLE	0.60	110	(0.046)
CHICAGO-INDIANAPOLIS	0.57	116	(0.054)
TOTAL SHORT DISTANCE	0.81	122	0.001
403(b) SERVICES			
BOSTON-PORTLAND	0.63	27	(0.092)
PHILADELPHIA-HARRISBURG	0.74	32	(0.025)
CHICAGO-SPRINGFIELD-(ST LOUIS)	0.84	82	0.006
CHICAGO-MILWAUKEE	0.89	65	0.006
CHICAGO-CARBONDALE	0.76	93	(0.006)
CHICAGO-QUINCY	0.80	82	(0.009)
SANTA BARBARA-SAN DIEGO	0.98	173	0.029
SAN JOSE-ROSEVILLE	0.95	87	0.037
OAKLAND-BAKERSFIELD	1.00	98	0.044
(NEW YORK)-ALBANY-MONTREAL	0.78	137	(0.010)
CHICAGO-PORT HURON-(TORONTO)	0.92	92	0.018
BIRMINGHAM-MOBILE	0.82	135	0.003
KANSAS CITY-ST LOUIS	0.84	87	0.004
PITTSBURGH-PHILADELPHIA-(NEW YORK)	1.23	154	0.063
CHICAGO-GRAND RAPIDS	0.89	85	0.014
(NYP)-WASHINGTON-RMT-CHARLOTTE	1.41	215	0.068
RALEIGH-CHARLOTTE	0.79	20	(0.087)
TOTAL 403(b) SERVICES	0.96	109	0.028
403(d) SERVICES			
NEW YORK-PHILADELPHIA	1.15	449	0.051
PHILADELPHIA-HARRISBURG	0.47	52	(0.106)
NEW YORK-HARRISBURG	1.28	163	0.079
TOTAL 403(d) SERVICES	1.11	283	0.049
LONG DISTANCE			
WASHINGTON-MONTREAL (MONTREALER)	0.57	192	(0.057)
NYP-FLA (SILVER STAR)	0.87	332	0.010
CHICAGO-PHIL-NEW YORK (BROADWAY LIMITED)	0.84	185	0.005
CHICAGO-WASH-NEW YORK (CARDINAL)	0.62	176	(0.045)
NYP-FLA (SILVER METEOR)	0.94	315	0.019
CHICAGO-SEATTLE/PORTLAND (EMPIRE BUILDER)	0.75	202	(0.008)
CHICAGO-WASHINGTON (CAPITOL LIMITED)	0.77	186	(0.009)
CHICAGO-SLC-OAKLAND (CALIFORNIA ZEPHYR) (3)	0.85	202	0.007
CHICAGO-LOS ANGELES (SOUTHWEST CHIEF)	0.76	214	(0.005)
CHICAGO-NEW ORLEANS (CITY OF NEW ORLEANS)	0.71	173	(0.016)
CHICAGO-TEXAS-(LA) (TEXAS EAGLE) (4)	0.59	196	(0.037)
MIAMI-NOL-SAS-LA (SUNSET LIMITED) (4)	0.57	196	(0.048)
LOS ANGELES-SEATTLE (COAST STARLIGHT)	0.93	336	0.018
CHICAGO-NEW YORK/BOSTON (LAKESHORE LIMITED)	0.93	258	0.021
NEW YORK-NEWPORT NEWS (COLONIAL/VIRGINIAN)	1.21	271	0.056
NEW YORK-JACKSONVILLE (PALMETTO)	1.01	181	0.031
(CHI)-DEN-SEATTLE (PIONEER) (3)	0.61	202	(0.029)
NEW YORK-NEW ORLEANS (CRESCENT)	0.82	218	0.000
(KCY)-STL-CEN-(NOL) (RIVER CITIES)	0.65	111	(0.022)
(CHI)-SLC-LOS ANGELES (DESERT WIND) (3)	0.77	202	0.007
AUTO TRAIN	1.14	318	0.073
TOTAL LONG DISTANCE	0.82	230	0.003
ROUTE TOTAL	1.01	187	0.036

(1) THE RATIO OF ROUTE REVENUE (INCLUDING STATE PAYMENTS FOR 403(b) ROUTES) TO LONG-TERM AVOIDABLE COSTS

(2) EQUALS SHORT-TERM AVOIDABLE PROFIT/ (LOSS) DIVIDED BY PASSENGER MILES. SHORT-TERM AVOIDABLE PROFIT/(LOSS) EQUALS ROUTE REVENUE MINUS SHORT-TERM AVOIDABLE COSTS

(3) COMBINED PM/TM SHOWN FOR CHICAGO-SLC-OAKLAND, (CHI)-SLC-LOS ANGELES, AND (CHI)-DEN-SEATTLE ROUTES

(4) COMBINED PM/TM SHOWN FOR CHICAGO-TEXAS-(LA) AND MIAMI-NOL-SAS-LOS ANGELES ROUTES.

REVENUE-TO-COST PERFORMANCE

Mr. CARR. Please update the data on your revenue to cost performance, similar to that shown on page 866 of last year's hearing record.

[The information follows:]

REVENUE/COST RATIO 1971 THROUGH CURRENT YEAR BUDGET (ADJUSTED TO CURRENT ACCOUNTING METHOD) ($ MILLIONS)

YEAR	EXPENSE	EXP. EXCL.	NET EXPENSE	REVENUE	RATIO
CY 1971.............................	192.5	(0.1)	192.4	100.9	0.52
CY 1972.............................	310.1	(3.2)	306.9	162.6	0.53
TP 1973 (JAN-JUN)...........	168.0	(2.2)	165.8	89.2	0.54
FY 1974.............................	438.2	(16.3)	421.9	240.1	0.57
FY 1975.............................	559.8	(32.3)	527.5	246.4	0.47
FY 1976.............................	674.3	(42.8)	631.5	268.0	0.42
FY 1976 (JUL-SEPT)..........	202.5	(16.3)	186.2	79.4	0.43
FY 1977.............................	945.3	(76.0)	869.3	415.5	0.48
FY 1978.............................	1,010.6	(82.7)	927.9	433.3	0.47
FY 1979.............................	1,113.2	(90.5)	1,022.7	496.3	0.49
FY 1980.............................	1,275.7	(113.4)	1,162.3	558.8	0.48
FY 1981.............................	1,442.5	(162.8)	1,279.7	612.2	0.48
FY 1982.............................	1,401.4	(215.2)	1,186.2	630.7	0.53
FY 1983.............................	1,469.4	(238.5)	1,230.9	664.4	0.54
FY 1984.............................	1,522.1	(163.1)	1,359.0	758.8	0.56
FY 1985.............................	1,600.1	(169.8)	1,430.3	825.8	0.58
FY 1986.............................	1,563.6	(168.4)	1,395.2	861.4	0.62
FY 1987.............................	1,672.0	(166.5)	1,505.5	973.5	0.65
FY 1988.............................	1,757.1	(159.7)	1,597.4	1,106.7	0.69
FY 1989.............................	1,934.5	(167.8)	1,766.7	1,269.1	0.72
FY 1990.............................	2,011.8	(184.0)	1,827.8	1,308.4	0.72
FY 1991 *........................	2,080.5	(349.9)	1,730.6	1,359.0	0.79
FY 1992 *........................	2,036.6	(362.1)	1,674.4	1,324.8	0.79
FY 1993 BUDGET*...............	2,151.1	(362.7)	1,788.4	1,470.0	0.82
FY 1993 ESTIMATE*................	2,178.6	(362.5)	1,816.1	1,470.0	0.81

NOTES:

CY71-FY88 EXPENSES EXCLUDED FROM RATIO COMPUTATION--DEPRECIATION, INTEREST, TAXES AND LABOR PROTECTION.

FY89-FY90 EXPENSES EXCLUDED FROM RATIO COMPUTATION--DEPRECIATION, TAXES AND LABOR PROTECTION.

FY 1985 SHOWN NET OF C.U.S. INTERCOMPANY TRANSACTIONS.

*FROM FY91, EXPENSES EXCLUDED FROM RATIO INCLUDE THE AMOUNT APPLICABLE TO FRA PASS THROUGH FOR EXCESS RRTA AND RUIA

RIDERSHIP AND REVENUE STATISTICS

Mr. **Carr**. Please also update the ridership and revenue data shown on page 868 of last year's hearing record.

[The information follows:]

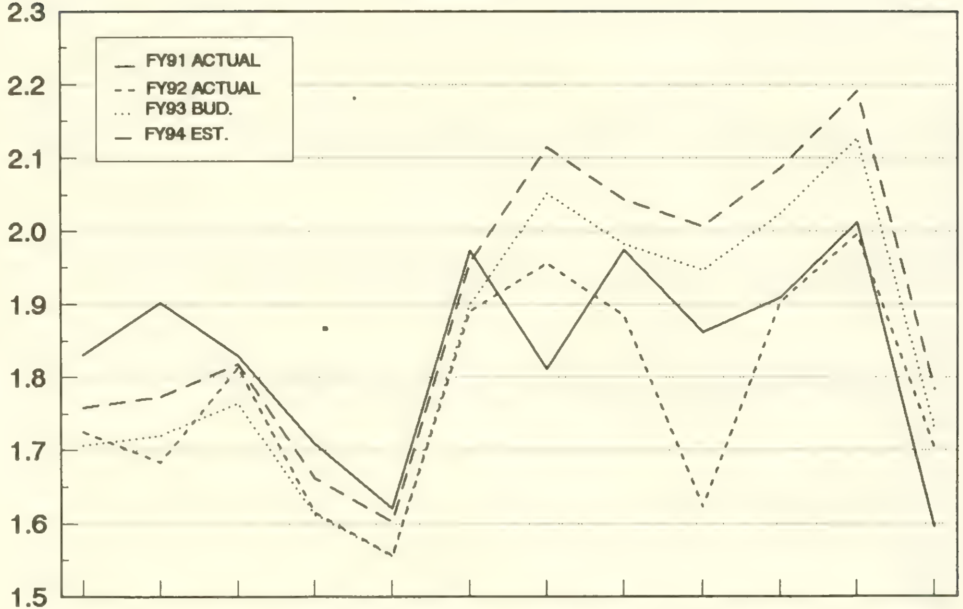
Period	Passenger Miles (Millions)	Intercity Ridership (Millions)	Revenue ($ Millions)	Percent Change from Prior Year		
				Passenger Miles	Ridership	Revenue
CY 71 May–December	1,779	10.6	$100.9			
CY 72	2,978	16.6	162.6	67.4%	56.6%	61.1%
FY 74	4,290	18.4	240.1	44.1%	10.8%	47.7%
FY 75	3,946	17.3	246.5	–8.0%	–6.0%	2.7%
FY 76	4,055	17.8	283.0	2.8%	2.9%	14.8%
FY 77	4,333	19.2	415.4	6.9%	7.9%	46.8%
FY 78	4,029	18.9	433.3	–7.0%	–1.6%	4.3%
FY 79	4,915	21.4	496.3	22.0%	13.2%	14.5%
FY 80	4,582	21.2	558.8	–6.8%	–0.9%	12.6%
FY 81	4,762	20.6	612.2	3.9%	–2.8%	9.6%
FY 82	4,172	19.0	630.7	–12.4%	–7.8%	3.0%
FY 83	4,246	19.0	664.4	1.8%	0.0%	5.3%
FY 84	4,552	19.9	758.8	7.2%	4.7%	14.2%
FY 85	4,825	20.8	825.8	6.0%	4.5%	8.8%
FY 86	5,014	20.3	861.4	3.9%	–2.4%	4.3%
FY 87	5,221	20.4	973.5	4.1%	0.5%	13.0%
FY 88	5,678	21.5	1,106.7	8.8%	5.4%	13.7%
FY 89	5,859	21.3	1,269.1	3.2%	–0.9%	14.7%
FY 90	6,057	22.2	1,308.4	3.4%	4.2%	3.1%
FY 91	6,273	22.0	1,359.0	3.6%	–0.9%	3.9%
FY 92	6,091	21.4	1,324.8	–2.9%	–2.7%	–2.5%
FY 93 Projection	6,561	22.1	1,470.0	7.7%	3.3%	11.0%
FY 94 Estimate	6,832	22.8	1,592.5	4.1%	3.2%	8.3%

RIDERSHIP TRENDS

Mr. CARR. Please update the ridership trend graph appearing on page 870 of last year's hearing record by providing data for fiscal years 1991 to 1994.

[The information follows:]

INTERCITY RIDERSHIP
MILLIONS



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
FY91 ACT	1.831	1.902	1.830	1.709	1.621	1.973	1.812	1.975	1.862	1.909	2.013	1.596	22.095
FY92 ACT	1.725	1.684	1.814	1.615	1.557	1.891	1.956	1.885	1.623	1.903	1.997	1.704	21.354
FY93 BUD.	1.707	1.721	1.765	1.613	1.555	1.900	2.052	1.983	1.947	2.024	2.127	1.731	22.125
FY94 EST.	1.759	1.774	1.819	1.662	1.602	1.958	2.115	2.043	2.006	2.086	2.192	1.784	22.800

PASSENGER RIDERSHIP BY STATE

Mr. Carr. Please provide a breakdown of fiscal year 1992 Amtrak ridership by State, similar to the list shown on page 872 of last year's hearing record.

[The information follows:]

PASSENGER RIDERSHIP BY STATE

FISCAL YEAR 1992

STATE NAME	PASSENGERS BOARDING	PASSENGERS ALIGHTING	TOTAL PASSENGERS
ALABAMA	49,489	49,503	98,992
ARIZONA	51,866	53,376	105,242
ARKANSAS	14,591	15,010	29,601
CALIFORNIA	2,869,713	2,857,817	5,727,530
COLORADO	152,242	150,120	302,362
CONNECTICUT	522,315	538,461	1,060,776
DELAWARE	296,473	299,240	595,713
DISTRICT OF COLUMBIA	1,695,285	1,681,249	3,376,534
FLORIDA	535,731	540,779	1,076,510
GEORGIA	101,845	100,701	202,546
IDAHO	18,885	19,041	37,926
ILLINOIS	1,515,872	1,510,088	3,025,960
INDIANA	100,493	105,342	205,835
IOWA	25,619	26,295	51,914
KANSAS	16,840	16,734	33,574
KENTUCKY	4,620	4,436	9,056
LOUISIANA	95,256	97,548	192,804
MARYLAND	753,675	756,730	510,405
MASSACHUSETTS	648,277	635,271	1,283,548
MICHIGAN	326,937	332,090	659,027
MINNESOTA	72,107	70,135	142,242
MISSISSIPPI	49,992	50,204	100,196
MISSOURI	243,866	245,475	489,341
MONTANA	64,404	65,463	129,867
NEBRASKA	29,144	29,333	58,477
NEVADA	77,813	85,549	163,362
NEW HAMPSHIRE	1,080	1,052	2,132
NEW JERSEY	778,445	792,484	1,570,929
NEW MEXICO	43,985	44,841	88,826
NEW YORK	3,739,759	3,725,447	7,465,206
NORTH CAROLINA	181,256	179,204	360,460
NORTH DAKOTA	39,364	39,027	78,391
OHIO	106,006	99,556	205,562
OREGON	246,088	250,841	496,929
PENNSYLVANIA	1,996,204	1,993,715	3,989,919
RHODE ISLAND	189,962	195,654	385,616
SOUTH CAROLINA	115,098	114,280	229,378
TENNESSEE	18,473	18,954	37,427
TEXAS	141,642	139,148	280,790
UTAH	55,496	56,491	111,987
VERMONT	34,070	35,592	69,662
VIRGINIA	450,210	448,374	898,584
WASHINGTON	326,928	324,264	651,192
WEST VIRGINIA	20,031	20,175	40,206
WISCONSIN	212,285	213,469	425,754
WYOMING	15,174	15,418	30,592
ZONE=NON-US/OTHER	2,300,341	2,301,271	4,601,612

MARKETING INFORMATION

EMPLOYMENT—STATE-BY-STATE BREAKDOWN

Mr. Carr. Please also update the state-by-state breakdown of Amtrak employment, as shown on pages 874 and 875 of last year's hearing record.

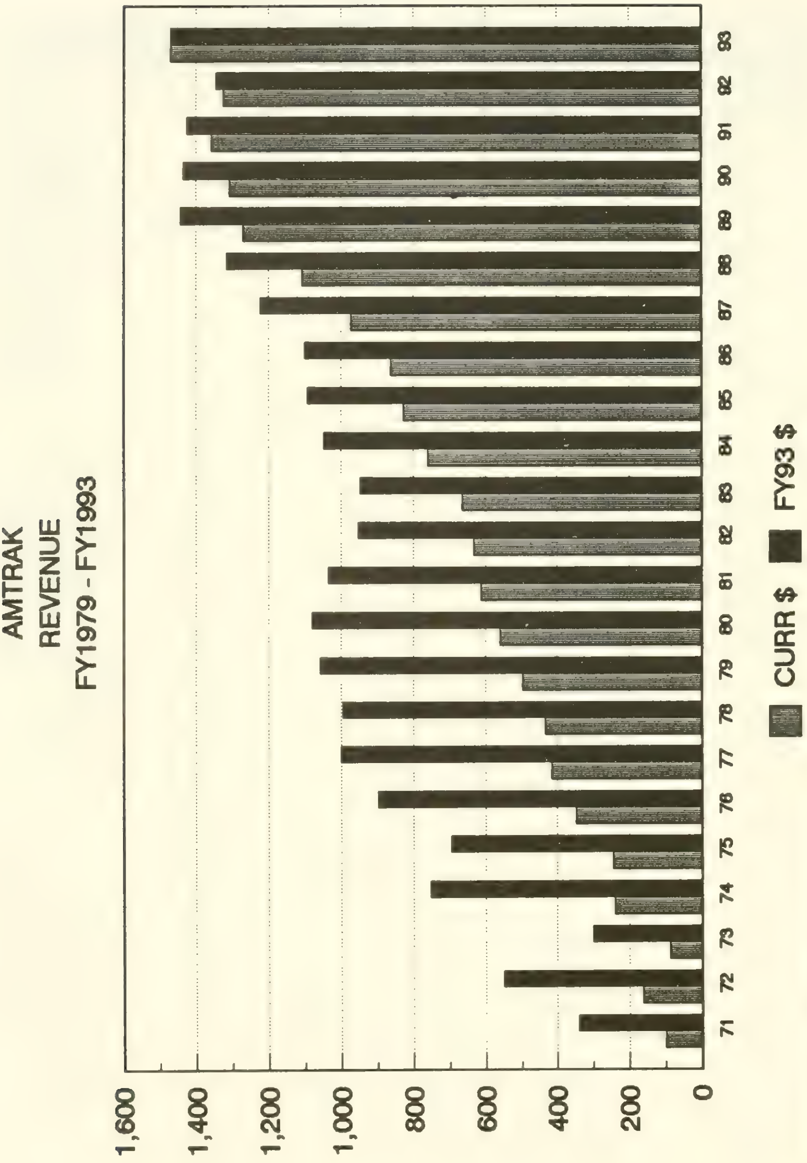
[The information follows:]

	#EMPLOYEES	TOTAL-DOLLARS	$S (MILLIONS)
ALABAMA	27	1,003,277	1.00
ALASKA	0	0	.00
ARIZONA	10	312,483	.31
ARKANSAS	49	2,033,051	2.03
CALIFORNIA	2,985	66,279,047	66.28
COLORADO	97	3,670,303	3.67
CONNECTICUT	638	21,344,462	21.34
DELAWARE	1,100	31,590,689	31.59
DISTRICT OF COLUMBIA	2,760	88,435,088	88.44
FLORIDA	775	23,434,541	23.43
GEORGIA	60	2,176,823	2.18
HAWAII	0	0	.00
IDAHO	4	92,200	.09
ILLINOIS	2,965	78,039,765	78.04
INDIANA	1,337	34,843,075	34.84
IOWA	7	221,848	.22
KANSAS	12	414,144	.41
KENTUCKY	1	28,675	.03
LOUISIANA	250	7,161,865	7.16
MAINE	1	36,717	.04
MARYLAND	676	22,107,829	22.11
MASSACHUSETTS	2,209	70,249,103	70.25
MICHIGAN	112	3,743,513	3.74
MINNESOTA	85	2,900,494	2.90
MISSISSIPPI	4	155,681	.16
MISSOURI	142	4,860,551	4.86
MONTANA	52	2,124,820	2.12
NEBRASKA	12	414,963	.41
NEVADA	15	326,574	.33
NEW HAMPSHIRE	0	0	.00
NEW JERSEY	721	23,581,886	23.58
NEW MEXICO	53	1,992,346	1.99
NEW YORK	3,150	88,582,728	88.58
NORTH CAROLINA	36	1,125,655	1.13
NORTH DAKOTA	9	276,889	.28
OHIO	27	722,575	.72
OKLAHOMA	0	0	.00
OREGON	147	5,382,217	5.38
PENNSYLVANIA	3,447	102,483,723	102.48
RHODE ISLAND	213	6,668,065	6.67
SOUTH CAROLINA	43	1,596,530	1.60
SOUTH DAKOTA	0	0	.00
TENNESSEE	8	164,291	.16
TEXAS	172	5,440,311	5.44
UTAH	108	4,205,577	4.21
VERMONT	8	255,888	.26
VIRGINIA	323	9,793,795	9.79
WASHINGTON	337	9,556,241	9.56
WEST VIRGINIA	6	176,821	.18
WISCONSIN	54	1,903,579	1.90
WYOMING	3	76,164	.08
===>> FINAL TOTALS :	25,255	730,986,363	730.99

FINANCIAL PERFORMANCE DATA

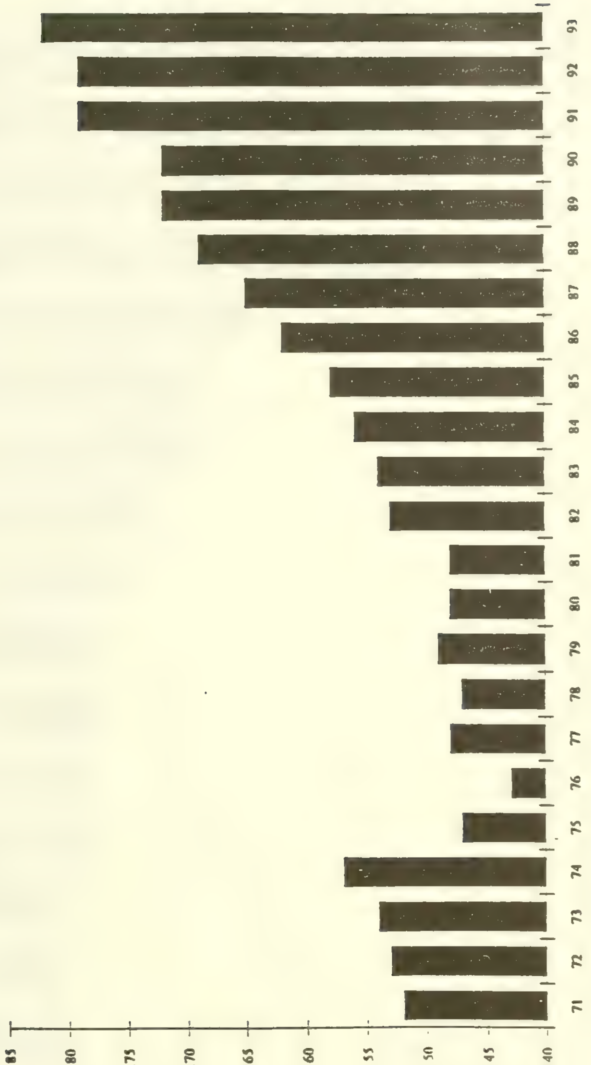
Mr. CARR. Please update the bar charts and supporting data regarding Amtrak's financial performance history, as shown on pages 877 through 879 of last year's hearing record.

[The information follows:]

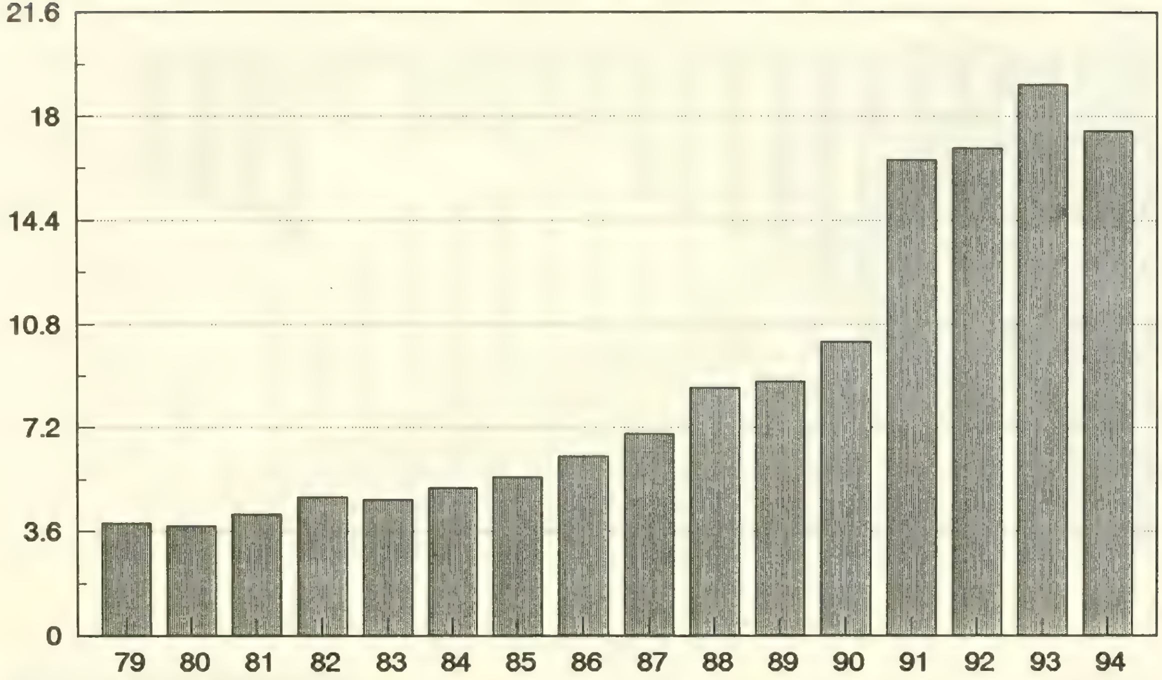


NOTE-FY73 IS 6 MONTH TRANSITION PERIOD (JAN-JUN)
FY76 INCLUDES TRANSITION QUARTER

AMTRAK
REVENUE/COST RATIO
FY1971 - FY1993



FY73 IS 6 MONTH TRANSITION PERIOD (JAN-JUN)
FY76 INCLUDES TRANSITION QUARTER
FY91-FY93 REFLECTS THE REMOVAL OF FEDERALLY MANDATED EXCESS RRTA/RUIA PAYMENTS, PAID ON BEHALF OF AMTRAK BY THE FRA



AMTRAK
PASSENGER MILES PER OPERATING SUBSIDY $
FY1979 - FY1994

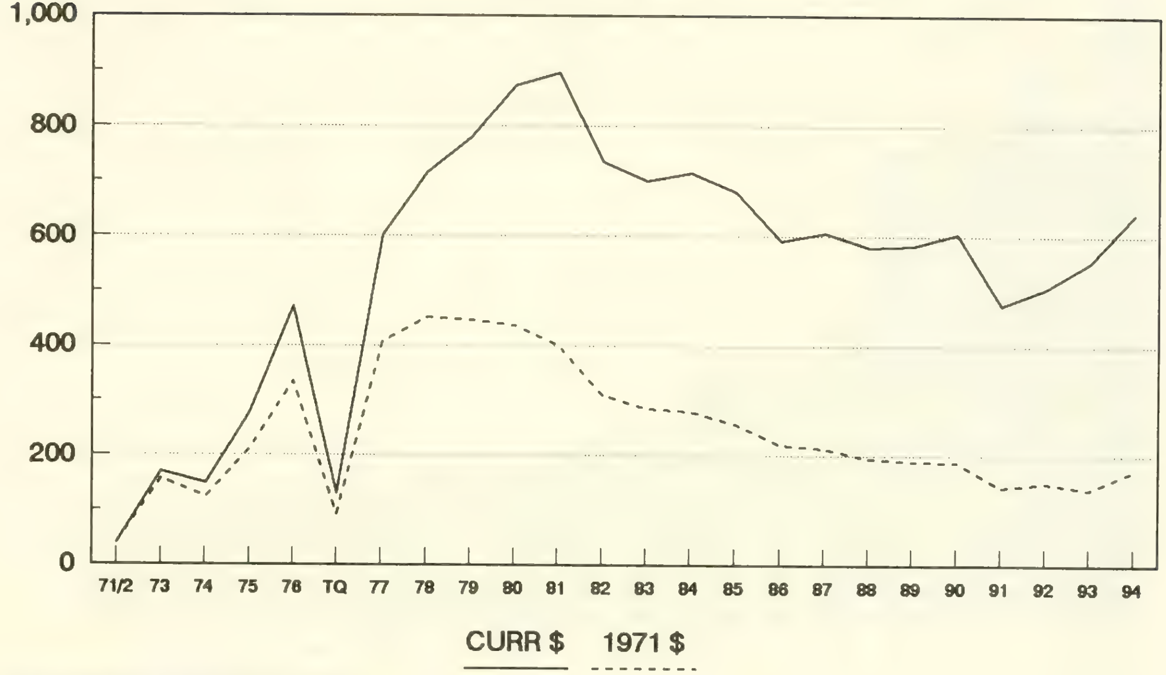
OPERATING SUBSIDY IN CONSTANT 1994 DOLLARS
FY91-FY94 REFLECTS THE REMOVAL OF FEDERALLY
MANDATED EXCESS RRTA AND RUIA PAYMENTS

FEDERAL FUNDING HISTORY GRAPH

Mr. Carr. Please update for the record the federal funding history graph shown on page 881 of last year's hearing record.

[The information follows:]

AMTRAK
TOTAL FEDERAL GRANT
FY1971 - FY1994



NOTE: FY91-FY94 REFLECTS THE REMOVAL OF THE FEDERALLY MANDATED EXCESS RRTA AND RUIA PAYMENTS PAID ON BEHALF OF AMTRAK BY THE FRA.

APPROPRIATIONS HISTORY

Mr. CARR. Please update the appropriations history table shown on page 883 of last year's hearing record.

[The information follows:]

AMTRAK APPROPRIATIONS HISTORY
($MILLIONS)

FY	BLOCK GRANT	OPERATING	CAPITAL	LOAN PAYOFF	NEC PURCHASE	LABOR PROT.	ANNUAL TOTALS
71/72		40.0					40.0
73		170.0					170.0
74		146.6	2.5				149.1
75		276.5					276.5
76		357.0	114.2				471.2
TQ 3_/		105.0	25.0				130.0
77		482.6	93.1		25.0		600.7
78		536.0	130.0	25.0	25.0		716.0
79		600.0	130.0	25.0	24.0		779.0
80		650.4	191.0		12.0	20.0	873.4
81		720.2	187.1			-11.0	896.3
82	735.0						735.0
83	670.0		30.0 1_/				700.0
84	716.4						716.4
85 2_/	680.0						680.0
86	590.7						590.7
87	602.0		5.0 4_/				607.0
88	580.8						580.8
89	584.0						584.0
90	521.1		83.6				604.7
91_5/	343.1		132.0				475.1
92_6/	331.0		175.0				506.0
93_7/	331.0		165.0				496.0
93 Supple._8/	57.5						57.5
94 Estimate_9/	390.5		250.0				640.5
TOTAL	7,133.1	4,084.3	1,713.5	50.0	86.0	9.0	13,075.9

1_/ Includes $ 5 million for the Cape Cod project turned over to the State of Mass.

2_/ Has been reduced to reflect legislative reprogramming of Bush River Bridge

3_/ Transition Quarter from July 1976–September 1976 when Federal Government changed fiscal year to current October to September time frame.

4_/ Supplemental appropriations for reinstatement of Montrealer

_5/ Not included is $144.8 million for Excess Railroad Retirement and Railroad Unemployment costs passed thru to the FRA.

_6/ Not included is $150.2 million for Excess RRTA & RUIA passed thru to FRA Includes $500 thousand earmarked for Illinois.

_7/ Not included is $146.4 million for Excess RRTA & RUIA passed thru to FRA.

_8/ Includes $30 million for Working Capital Restoration.

_9/ Not included i s $150.9 million for Excess RRTA &RUIA passed to FRA Included is $9.5 million earmarked for 403(b) State Supported Services

REVENUE PROJECTIONS

Mr. CARR. Please compare your breakdown of estimated revenues for fiscal year 1993 as shown in your fiscal year 1993 grant justification to the 1993 column of your 1994 grant justification and provide a narrative explanation of any deviation greater than 20 percent, similar to the chart on page 885 of last year's hearing record.

[The information follows:]

	1993 Estimate in 1993 Grant Justification	1993 Estimate in 1994 Grant Justification	Percent Change
Passenger Related	1,091.7	1,042.5	−4.6
Commuter Operating Payments	234.1	236.8	1.1
State Payments	23.6	23.6	0.0
Mail Baggage & Express	52.4	49.0	−6.5
Real Estate & operations	44.0	38.5	−12.5
Freight	15.4	17.0	1.1
Interest	5.7	2.6	−54.4
Operations & Mntce. Svcs	50.5	42.0	−16.0
Miscellaneous[1]	32.6	18.0	−44.8
Total	1,550.0	1,470.0	−5.2

[1] Miscellaneous revenues dropped more than 20 percent due to corporate development's forecast being overly optimistic.

REVENUE ESTIMATES

Mr. CARR. Please update the table of actual versus budgeted revenues shown on page 886 of last year's hearing record by providing data for fiscal years 1990 through 1994.

[The information follows:]

ACTUAL VS BUDGETED REVENUE

[In millions of dollars]

	FY90		FY91		FY92		FY93 Revised	FY94 Estimate
	Actual	Budget	Actual	Budget	Actual	Budget		
Passenger Related Revenue	930.4	977.6	963.4	985.3	929.1	990.0	1,042.5	1,124.0
Commuter Operations	89.9	82.7	99.4	86.8	116.0	108.1	152.3	177.0
Commuter Fees	76.4	75.3	79.3	87.8	80.8	78.9	84.5	87.8
403 B Service	12.6	13.0	16.1	16.6	20.8	23.8	23.6	25.5
Mail/Baggage/Express	38.3	42.7	47.1	44.0	48.2	47.2	49.0	51.9
Real Estate & Oper Dev	39.3	50.5	39.3	43.8	34.3	42.5	38.5	36.2
Freight Operating	18.0	21.3	15.2	13.2	16.6	16.4	17.0	17.7
Interest	26.4	28.7	11.8	24.0	4.6	5.6	2.6	2.8
Other	77.1	79.9	87.4	71.0	74.4	87.9	60.0	69.6
Total	1,308.4	1,371.7	1,359.0	1,372.5	1,324.8	1,400.4	1,470.0	1,592.5

MISCELLANEOUS REVENUE

Mr. CARR. Please update the breakdown of "miscellaneous revenue," as shown on page 886 of last year's hearing record by providing data for fiscal years 1991 through 1994.

[The information follows:]

MISCELLANEOUS REVENUE

[In millions of dollars]

	1991 Actual	1992 Actual	1993 Revised	1994 Estimate
Safe Harbor Revenue	$13.4	$9.7	$9.2	$8.0
Corporate Development	7.4	7.3	6.5	13.9
Other	6.5	1.4	2.3	4.1
Total	$27.3	$18.4	$18.0	$26.0

OPERATING EXPENSES

Mr. CARR. Please update the table on your operating expenses shown on page 889 of last year's hearing record by providing data for fiscal years 1992 through 1994. Please be sure to include the column which spreads the fiscal year 1994 inflation increase among subaccounts.

[The information follows:]

NATIONAL RAILROAD PASSENGER CORPORATION
OPERATING EXPENSE COMPARISON

($ Millions)

Operating Expenses	FY1992 Actual	FY1993 Budget	FY 1994 Grant Estimate	Inflated FY 1994 Grant Estimate
Train Operations	462.1	503.2	509.4	528.8
Maintenance of Equipment	440.9	427.5	465.5	483.2
Maintenance of Way	203.0	208.7	214.2	222.4
On-Board Service	171.2	177.3	185.7	192.8
Station Services	134.7	142.2	143.1	148.6
Marketing & Reservation Services	177.2	189.9	200.9	208.6
General Support	112.2	142.1	146.8	152.4
Insurance Taxes & Interest	80.5	100.7	113.2	113.2
Depreciation	205.8	210.2	215.2	215.2
General & Administrative	48.9	49.3	49.3	51.2
Total Operating Expenses	**2,036.5**	**2,151.1**	**2,243.3**	**2316.3**
Provision for Inflation	0.0	0.0	73.0	
Total Expense	2,036.5	2,151.1	2,316.3	2316.3
Less:				
Non-Amtrak FRA Pass Thru Program	150.2	146.4	150.9	150.9
Expenses Not Requiring Appropriations	205.8	210.2	215.2	215.2
Funded Amtrak Expense	**1,680.5**	**1,794.5**	**1,950.2**	**1950.2**
Total Revenue	**1,324.8**	**1,470.0**	**1,592.5**	**1592.5**
Less:				
Restricted Revenue		6.5	32.8	32.8
Revenue Available for Operations	**1,324.8**	**1,463.5**	**1,559.7**	**1559.7**
Grant Requirement for Amtrak Operations	355.7	331.0	390.5	390.5
FY92 Working Capital Drawdown & FY93 Supplemental Requirement	(24.7)	57.5	----	----
Total Amtrak Operating Grant	**331.0**	**388.5**	**390.5**	**390.5**
Revenue Cost Ratio	0.79	0.82	0.82	0.82

TRAIN OPERATIONS

Mr. Carr. Please update the train operating expenses data shown on page 891 of last year's hearing record.

[The information follows:]

The following schedule reflects projected expenses for train operations by functional category as appeared on page 704 of last year's hearing record.

	Train Operations ($ Millions)		
	Actual	Projected	
	FY 1992	FY 1993	FY 1994
Transportation	122.2	127.4	127.4
Block & Tower	15.5	17.3	17.3
Dispatching	6.8	8.8	8.8
Road/Yard Crews	157.1	181.9	181.9
Yard Operations	7.7	8.8	8.8
Joint Terminals	5.4	10.7	10.7
Performance/Avoid.	32.1	34.1	34.1
Train Operations Support	77.0	60.1	59.8
Sub-Total	423.8	449.1	448.8
Commuter Contract Services	38.3	54.2	60.6
Total	462.1	503.2	509.4

Note: Fiscal Year 1994 is in current FY 1993 dollars.

CONTRACT RAILROAD PAYMENTS

Mr. Carr. Please also update the data on contract railroad payments shown on page 893 of last year's hearing record.

[The information follows:]

RAILROAD FISCAL YEAR COMPARISON

COSTS PER TRAIN MILE

RAILROAD	DOLLARS (MILLIONS) FY92 ACT	DOLLARS (MILLIONS) FY93 BUD	DOLLARS (MILLIONS) FY94* EST	TRAIN MILES (THOUSANDS) FY92 ACT	TRAIN MILES (THOUSANDS) FY93 BUD	TRAIN MILES (THOUSANDS) FY94 EST	COST PER TRAINMILE FY93 $$	COST PER TRAINMILE FY94 $$
ATCHISON TOPEKA & SF	5.6	7.3	7.7	3,182	3,466	3,647	2.1	2.1
BURLINGTON NORTHERN	6.5	6.9	6.9	2,912	2,912	2,912	2.4	2.4
CANADIAN NAT'L EAST	2.5	3.1	3.1	67	67	67	45.3	45.3
CENTRAL VERMONT	0.7	0.9	0.9	235	235	235	3.7	3.7
SOUTHERN PACIFIC CHI	0.9	0.9	0.9	624	624	624	1.5	1.5
DELAWARE & HUDSON	0.4	0.4	0.4	126	126	126	3.1	3.1
DENVER & RIO GRANDE	0.8	0.8	0.8	413	413	413	1.8	1.8
GRAND TRUNK WESTERN	0.2	0.2	0.2	113	113	113	1.9	1.9
ILLINOIS CENTRAL	1.7	1.8	1.8	1,037	1,037	1,037	1.8	1.8
SOO LINE	1.7	1.7	1.9	725	725	824	2.3	2.3
METRO TRANSIT AUTH	6.4	6.8	6.8	1,170	1,170	1,170	5.8	5.8
RICH FRDBG & POTOMAC	0.8	0.9	1.9	156	156	350	5.5	5.5
CSX TRANSPORTATION	14.9	17.8	18.5	4,647	4,839	5,033	3.7	3.7
SOUTHERN PACIFIC	9.0	9.7	10.8	2,507	2,540	2,823	3.8	3.8
NORFOLK SOUTHERN CORP	1.6	1.9	2.1	1,015	1,140	1,267	1.7	1.7
UNION PACIFIC	3.6	4.5	4.5	2,836	2,836	2,836	1.6	1.6
CONRAIL-OFF CORRIDOR	4.2	4.7	4.9	3,635	3,635	3,817	1.3	1.3
TOTAL	61.4	70.2	74.1	25,400	26,035	27,295	2.7	2.7

** FY94 IS IN CONSTANT FY93 DOLLARS.*

MAINTENANCE AND OVERHAULS PLANNED

Mr. CARR. Please update the breakdown of your preventive maintenance and overhauls planned, as shown on page 894 of last year's hearing record by providing data for fiscal years 1993 and 1994.

[The information follows:]

HEAVY OVERHAULS PLANNED

Equipment	FY 1993		FY 1994	
	Percent	Number	Percent	Number
SUPERLINERS	12%	33	30%	85
MATERIAL HANDLING	0%	0	24%	34
AMFLEET	2%	14	6%	37
AEM-7'S	33%	17	33%	17
HORIZON	0%	0	25%	26
CAB CARS	0%	0	27%	8
PREVENTIVE MAINTENANCE PLANNED				
SUPERLINERS	251%	708	251%	708
HERITAGE	191%	1608	229%	1932
AMFLEET	276%	1740	242%	1524
HORIZON	303%	312	221%	228

MAINTENANCE OF EQUIPMENT RATIOS

Mr. Carr. Please update the data on maintenance of equipment ratios as shown on page 895 of last year's hearing record.

[The information follows:]

	Maintenance of Equipment Percent of Funded Expense
FY 88	23%
FY 89	24%
FY 90	26%
FY 91	27%
FY 92	26%
FY 93 Estimate	24%
FY 94 Estimate	24%

Note: FY91 and on reflects the removal of Federally mandated excess RRTA and RUIA payments made by FRA on Amtrak's behalf.

MAINTENANCE FACILITIES

Mr. CARR. Please also update the maintenance facility data shown on page 896 of last year's hearing record.

[The information follows:]

	Amtrak	
	Maintenance of Equipment	
	($ Millions)	
	FY 1994	Manning
Location	Estimate	Estimate
Bear	14.4	210
Beech Grove	82.9	808
Boston	13.0	214
Chicago	59.9	795
Detroit	0.4	6
Ft. Worth	0.5	9
Houston	0.5	9
Hialeah	2.2	3
Jacksonville	1.0	17
Kansas City	0.8	15
Lorton	2.3	39
Los Angeles	30.7	430
New Haven	6.2	115
New Orleans	7.9	140
New York	37.1	625
Niagara Falls	1.1	22
Oakland	4.6	80
Philadelphia	22.5	315
Rensselaer	17.4	248
St. Louis	0.8	14
San Antonio	0.6	11
Sanford	6.8	100
Seattle	5.0	67
Tampa	3.5	47
Washington	44.7	705
Wilmington	40.7	485
Sub-Total	407.5	5,529
Railroad & Terminal Co.	9.4	0
Commuter Services _1/	48.6	696
Total	465.5	6,225

1_/ These services produce revenues that fully cover their costs.

MAINTENANCE OF WAY STATE-BY-STATE EXPENSES

Mr. Carr. Please update the state-by-state tables on planned maintenance of way expenses, as shown on pages 899 through 900 of last year's hearing record by providing data for fiscal years 1993 and 1994.

[The information follows:]

	FISCAL YEAR 1993				
STATE	Comm & Signals	Bridges & Buildings	Electric Traction	Track	Total
California				1.1	1.1
Connecticut	1.5	5.8		7.6	14.9
District of Columbia	0.2		0.1	0.6	0.9
Delaware	0.6	1.4	0.5	3.0	5.5
Illinois	0.1			2.3	2.4
Louisiana	0.1	0.5		0.9	1.5
Massachusetts (1)	3.8	5.6		13.9	23.3
Maryland	2.9	3.3	1.6	11.5	19.3
Michigan	0.2			1.8	2.0
New Jersey	12.2	11.9	2.2	13.2	39.5
New York	2.3	13.7	1.9	3.5	21.4
Pennsylvania	7.3	20.9	3.9	22.2	54.3
Rhode Island	0.7	1.2		0.7	2.6
Railroads (2)		1.3		18.7	20.0
TOTAL	31.9	65.6	10.2	101.0	208.7

Railroads cannot be identified to specific States.

Support and overhead costs have been allocated to the projects identified above.

(1) Includes $18.4 million for MBTA .

(2) Includes $3.8 million for California commuter operations.

	FISCAL YEAR 1994				
STATE	Comm & Signals	Bridges & Buildings	Electric Traction	Track	Total
California				1.1	1.1
Connecticut	1.6	5.9		7.8	15.3
District of Columbia	0.2		0.1	0.6	0.9
Delaware	0.6	1.5	0.5	3.1	5.7
Illinois	0.1			2.4	2.5
Louisiana	0.1	0.5		0.9	1.5
Massachusetts (1)	3.8	5.7		14.3	23.8
Maryland	3.0	3.4	1.7	11.8	19.9
Michigan	0.2			1.9	2.1
New Jersey	12.5	12.2	2.3	13.5	40.5
New York	2.4	14.0	2.0	3.7	22.1
Pennsylvania	7.5	21.4	3.9	22.8	55.6
Rhode Island	0.7	1.3		0.7	2.7
Railroads (2)		1.4		19.1	20.5
TOTAL	32.7	67.3	10.5	103.7	214.2

Railroads cannot be identified to specific States.

Support and overhead costs have been allocated to the projects identified above.

(1) Includes $19.0 million for MBTA .

(2) Includes $4.2 million for California commuter operations.

ON-BOARD SERVICES PER PASSENGER MILE

Mr. CARR. Please update the chart on page 901 showing expenditures of on-board services per passenger mile, in both then year dollars and 1988 constant dollars, by providing data of last year's hearing record for fiscal years 1988 through 1994.

[The information follows:]

[In millions of dollars]

Fiscal year	On-board costs	Passenger miles (millions)	Cost per passenger	Fiscal Year 1988 constant cost per passenger
1988	$149.9	5,677.7	$0.026	$0.026
1989	165.6	5,858.5	.028	.027
1990	173.3	6,056.8	.029	.026
1991	170.0	6,273.3	.027	.024
1992	171.2	6,090.9	.028	.025
1993 projected	181.3	6,561.6	.028	.023
1994 estimate	185.7	6,831.7	.027	.022

ON-BOARD SERVICE COST BREAKDOWN

Mr. CARR. Please update the breakdown of your on-board service expenses shown on page 902 of last year's hearing record by providing data for fiscal years 1992 through 1994.

[The information follows:]

The breakdown of on-board service expenses are as follows:

ON BOARD SERVICES

[In millions of dollars]

	Labor			Other			Total		
	Fiscal year			Fiscal year			Fiscal year		
	Actual 1992	Estimated 1993	Projected 1994	Actual 1992	Estimated 1993	Projected 1994	Actual 1992	Estimated 1993	Projected 1994
Food and beverage service	73.9	73.4	75.2	38.2	42.3	43.4	112.1	115.7	118.5
Coach service	19.9	20.3	20.8	5.7	6.2	6.5	25.7	26.5	27.4
Sleeping car service	9.7	11.0	11.3	3.2	6.8	5.4	12.9	16.3	16.7
Other on board:									
Training	1.4	1.9	2.0	0.1	0.1	0.1	1.5	2.0	2.0
Support	17.0	17.1	17.5	1.9	2.2	3.5	18.9	20.9	21.1
FDA	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Total	122.0	123.7	126.7	49.2	57.6	58.9	171.2	181.3	185.7

Note: Fiscal year 1994 costs are expressed in fiscal year 1993 dollars.

STATION PERSONNEL WAGES

Mr. CARR. Please update the data on wage rates for your station personnel found on page 903 of last year's hearing record.

[The information follows:]

The wage rates for station personnel are as follows:

WAGE RATE [1] STATION SERVICE PERSONNEL

[In thousands of dollars]

	Actual		Estimate			
	FY 1992		FY 1993		FY 1994	
	Entry	Full	Entry	Full	Entry	Full
Ticket clerk	20.9	27.9	22.0	29.4	22.8	30.4
Baggageman	19.2	25.6	20.3	27.0	21.0	28.0
Red cap	17.9	23.9	18.9	25.2	19.6	26.1
Usher/gateman	19.3	25.8	20.4	27.2	21.1	28.1

AVERAGE WAGES EARNED [1] STATION PERSONNEL

[In thousands of dollars]

	Fiscal years		
	Actual 1992	Budget 1993	Estimate 1994
Ticket clerk	27.5	29.2	30.4
Baggageman	25.1	27.0	28.0
Red cap	24.4	24.5	26.1
Usher/gateman	24.9	24.1	28.1

[1] Excludes overtime and benefits, and does not include longevity pay.

STATION RENOVATION COSTS

Mr. CARR. Please update the data on station renovation costs as shown on pages 905 and 906 of last year's hearing record by providing data for fiscal years 1992 through 1994.

[The information follows:]

FISCAL YEAR 1992 STATION RENOVATIONS

Station	Amtrak	Other	Total
Various Stations			25,100,000
Various locations under ANs*	2,782,519		2,782,519
Total FY92 Station Renovations	$2,782,519	$0	$27,882,519

FISCAL YEAR 1993 STATION RENOVATIONS

Station	Amtrak	Other	Total
Albany, NY	10,044		10,044
Alexandria, VA	946		946
Ann Arbor, MI	1,374		1,374
Anaheim, CA	3,499		3,499
Baltimore	26,539		26,539
Biloxi, MS		45,000	45,000
Bay St. Louis, MS		155,000	155,000
Chicago, IL	50,696		50,696
Chipley, FL		153,000	153,000
Crestview, FL		55,000	55,000
Denver, CO	2,090		2,090
Detroit, MI	100,000	1,400,000	1,500,000
Eugene, OR	1,898		1,898
Fort Worth, TX	200,547	300,000	500,547
Fullerton, CA	1,529		1,529
Gilford, MS		119,000	119,000
Indianapolis, IN	1,644		1,644
Kansas City, MO	19,739		19,739

FISCAL YEAR 1993 STATION RENOVATIONS – Continued

Station	Amtrak	Other	Total
Kingston, RI	150,000	3,000,000	3,150,000
Lake City, FL		95,000	95,000
Los Angeles, CA	650,000		650,000
Madison, FL		210,000	210,000
Miami, FL	32,080		32,080
Minneapolis/St. Paul, MN	2,366		2,366
New Orleans, LA	1,052		1,052
Newport News, VA	2,091		2,091
Omaha, NE	6,451		6,451
Pascagoula, MS		15,000	15,000
Pensacola, FL	71,000	1,000,000	1,071,000
Pittsburg, MA	16,060	5,000	21,060
Providence, IL	34,015		34,015
Richmond, VA	34,039		34,039
San Diego, CA	100,000		100,000
Seattle, WA		90,000	90,000
Spokane, WA	826		826
Springfield, IL	235,225	365,000	600,225
Springfield, MA	1,005,179		1,005,179
St. Louis	150,000		150,000
Tallahassee, FL	11,000	1,100,000	1,111,000
Various Stations	925,947		925,947
Various locations under ANs*	4,334,636		4,334,636
Total FY93 Station Renovations	$8,182,512	$8,107,000	$16,289,512

FISCAL YEAR 1994 STATION RENOVATIONS

Station	Amtrak	Other	Total
Bakersfield, CA		1,500,000	1,500,000
Emeryville, CA	600,000		600,000
Springfield, MA	1,540,000		1,540,000
Van Nyus, CA		1,000,000	1,000,000
Various locations under AN* budget	1,500,000		1,500,000
Total FY94 Station Renovations	$3,640,000	$2,500,000	$6,140,000

* AN (Authorization Notice to other railroads)

STATION OPERATING COSTS

Mr. CARR. Please also update the data on station operating costs as shown on pages 908 through 913 of last year's hearing record by providing data for fiscal years 1992 through 1994.

[The information follows:]

STATION COSTS BY STATION

TOP 30 STATIONS	FY92 ACTUALS	FY93 BUDGET	FY94 PROJECTED
STA SVCS PENN STA NY	12,200,222	12,501,336	12,988,888
STA SVCS WASHINGTON DC	8,947,878	9,441,924	9,810,159
STA SVCS CHICAGO IL	8,284,563	9,170,416	9,528,062
STA SVCS PHILA 30TH ST PA	5,849,473	6,524,539	6,778,996
STA SVCS LOS ANGELES CA	3,165,633	3,328,138	3,457,935
STA SVCS BOSTON SOUTH MA	2,401,489	2,447,437	2,542,887
STA SVCS BALTIMORE MD	2,341,544	2,691,375	2,796,339
STA SVCS NEWARK NJ	1,856,769	1,934,464	2,009,908
STA SVCS OAKLAND CA	1,275,324	1,246,019	1,294,614
STA SVCS SEATTLE WA	1,103,641	1,034,332	1,074,671
STA SVCS ALBANY NY	1,037,275	979,460	1,017,659
STA SVCS PROVIDENCE RI	990,933	994,267	1,033,043
STA SVCS JACKSONVILLE FL	985,454	1,000,922	1,028,667
STA SVCS ATLANTIC CITY TR	983,210	1,042,314	1,082,964
STA SVCS WILMINGTON DE	950,091	1,100,549	1,143,470
STA SVCS HARRISBURG PA	944,522	1,140,327	1,184,800
STA SVCS DENVER CO	941,005	915,450	951,153
STA SVCS NEW ORLEANS LA	875,878	1,025,783	1,054,498
STA SVCS NEW HAVEN CT	871,496	947,587	984,543
STA SVCS PORTLAND OR	860,699	1,077,663	1,119,692
STA SVCS MIDWAY MN	856,274	857,494	890,936
STA SVCS RICHMOND VA	809,600	855,184	888,536
STA SVCS TRENTON NJ	805,909	948,253	985,235
STA SVCS ATLANTA GA	788,592	866,342	900,129
STA SVCS SAN DIEGO CA	773,735	755,225	784,679
STA SVCS NEW CARROLTON MD	669,115	653,218	678,694
STA SVCS AUTO TR SANFORD FL	656,856	753,128	782,500
STA SVCS BOSTON BACKBAY MA	651,960	696,217	723,369
STA SVCS PITTSBURGH PA	641,877	799,560	830,743
STA SVCS MIAMI FL	625,759	760,739	831,747

ALL OTHER STATIONS	FY92 ACTUALS	FY93 BUDGET	FY94 PROJECTED
STA SVCS KANSAS CITY MO	621,856	574,908	597,329
STA SVCS SPRINGFIELD MA	584,048	674,267	700,563
STA SVCS MILWAUKEE WI	581,418	497,543	516,947
STA SVCS SALT LAKE CTY UT	577,660	501,623	521,186
STA SVCS ORLANDO FL	553,563	586,436	609,307
STA SVCS LORTON VA	538,080	607,063	630,738
STA SVCS DEPEW NY	478,607	443,824	461,133
STA SVCS NEW LONDON CT	452,852	438,952	456,071
STA SVCS SAVANNAH GA	425,467	454,279	471,996
STA SVCS SACREMENTO CA	414,765	406,386	422,235
STA SVCS TAMPA FL	411,305	398,643	408,545
STA SVCS HARTFORD CT	409,317	418,462	434,782
STA SVCS ST LOUIS MO	408,959	372,936	387,481
STA SVCS ROCHESTER NY	408,774	431,200	448,017
STA SVCS SPOKANE WA	405,818	503,485	523,121
STA SVCS ALBUQUERQUE NM	405,798	372,301	386,821
STA SVCS HOUSTON TX	400,377	443,114	460,395
STA SVCS SAN JOSE CA	383,008	386,737	401,820
STA SVCS DETROIT MI	368,509	647,000	672,233
STA SVCS ALEXANDRIA VA	357,778	406,462	422,314
STA SVCS SYRACUSE NY	351,647	364,771	378,997
STA SVCS SAN FRANCISCO CA	331,274	369,998	384,428
STA SVCS TOLEDO OH	330,886	169,068	175,662
STA SVCS CHARLESTON SC	330,244	363,499	377,675
STA SVCS DALLAS TX	328,928	347,876	361,443
STA SVCS FLORENCE SC	322,236	310,695	322,812
STA SVCS SAN ANTONIO TX	322,156	366,785	381,090
STA SVCS FULLERTON CA	314,926	395,361	410,780
STA SVCS MARTINEZ CA	308,765	316,585	328,932
STA SVCS RALEIGH NC	300,644	315,933	328,254
STA SVCS BAKERSFIELD CA	292,707	340,839	354,132
STA SVCS BWI AIRPORT MD	290,689	362,538	376,677
STA SVCS SANTA ANA CA	286,459	319,722	332,191
STA SVCS UTICA NY	285,680	249,217	258,936
STA SVCS DEARBON MI	282,572	276,116	286,885
STA SVCS CLEVELAND OH	281,290	235,206	244,379
STA SVCS TACOMA WA	266,359	370,026	384,457
STA SVCS FRESNO CA	263,364	242,095	251,537
STA SVCS LANCASTER PA	263,046	280,062	290,984
STA SVCS DEERFIELD BCH FL	261,001	237,392	241,005
STA SVCS SPRINGFIELD IL	259,366	267,368	277,795
STA SVCS W PALM BEACH FL	251,825	263,363	267,990
STA SVCS HOLLYWOOD FL	249,722	258,626	263,068

ALL OTHER STATIONS	FY92 ACTUALS	FY93 BUDGET	FY94 PROJECTED
STA SVCS OCEANSIDE CA	249,057	292,500	303,908
STA SVCS FT LAUDERDALE FL	248,561	271,225	276,159
STA SVCS CINCINNATI OH	247,861	126,135	131,054
STA SVCS DEL MAR CA	243,842	258,267	268,339
STA SVCS BOSTON RT 128 MA	241,009	291,025	302,375
STA SVCS WHITEFISH MT	237,522	227,796	236,680
STA SVCS OMAHA NE	236,869	239,397	248,733
STA SVCS COLUMBIA SC	236,627	263,178	273,442
STA SVCS ANN ARBOR MI	234,330	239,038	248,360
STA SVCS SAN LUIS OBIS CA	227,430	216,220	224,653
STA SVCS EUGENE OR	227,136	306,682	318,643
STA SVCS LITTLE ROCK AR	227,047	209,919	218,106
STA SVCS KALAMAZOO MI	220,353	232,447	241,512
STA SUCS LAS VEGAS NV	217,241	227,367	236,234
STA SVCS WINTER HAVEN FL	217,054	222,798	231,487
STA SVCS CHAMPAIGN URBANA IL	217,020	236,086	245,293
STA SVCS CARBONDALE IL	214,052	208,835	216,980
STA SVCS OXNARD CA	210,922	224,717	233,481
STA SVCS GREENSBORO NC	207,391	279,385	290,281
STA SVCS MEMPHIS TN	206,496	299,728	311,417
STA SVCS CHARLOTTESVIL VA	205,436	217,169	225,639
STA SVCS FAYETTEVILLE NC	201,622	215,355	223,754
STA SVCS PAOLI PA	199,100	240,499	249,878
STA SVCS ROCKY MOUNT NC	197,484	216,671	225,121
STA SVCS ANAHEIM CA	188,651	207,221	215,303
STA SVCS HAMMOND IN	187,089	234,547	243,694
STA SVCS SANTA BARBARA CA	185,528	204,420	212,392
STA SVCS BIRMINGHAM AL	185,117	251,772	261,591
STA SVCS GLENVIEW IL	184,648	213,711	222,046
STA SVCS FLAGSTAFF AZ	179,256	199,387	207,163
STA SVCS BATTLE CREEK MI	178,813	191,323	198,785
STA SVCS SAN BERNARDINO CA	178,658	208,049	216,163
STA SVCS SCHENECTADY NY	178,312	193,589	201,139
STA SVCS FT WORTH TX	177,636	184,626	191,826
STA SVCS ALTOONA PA	177,052	205,204	213,207
STA SVCS DAVIS CA	175,480	160,485	166,744
STA SVCS JOLIET IL	175,341	192,404	199,908
STA SVCS GALESBURG IL	171,882	159,027	165,229
STA SVCS RIVERBANK CA	171,788	162,073	168,394
STA SVCS INDIANAPOLIS IN	165,633	160,000	166,240
STA SVCS AUSTIN TX	161,739	172,980	179,726
STA SVCS MERCED CA	161,449	159,240	165,450
STA SVCS JACKSON MI	161,443	165,050	171,487

ALL OTHER STATIONS	FY92 ACTUALS	FY93 BUDGET	FY94 PROJECTED
STA SVCS FT WAYNE IN	161,287	181,246	188,315
STA SVCS JACKSON MS	161,111	159,068	165,272
STA SVCS JEFFERSN CITY MO	160,979	175,541	182,387
STA SVCS PASADENA CA	160,587	161,443	167,739
STA SVCS MATTOON IL	159,736	156,338	162,435
STA SVCS PHOENIX AZ	159,513	129,220	134,260
STA SVCS GLENDALE CA	159,312	171,073	177,745
STA SVCS ELKHART IN	159,001	102,804	106,813
STA SVCS NILES MI	158,962	159,945	166,183
STA SVCS OGDEN UT	158,548	189,904	197,310
STA SVCS TOPEKA KS	158,539	202,135	210,018
STA SVCS BLOOMINGTON IL	157,282	195,654	203,285
STA SVCS HUDSON NY	156,603	170,663	177,319
STA SVCS POMONA CA	156,192	164,050	170,448
STA SVCS KIRKWOOD MO	155,926	151,984	157,911
STA SVCS HANFORD CA	155,477	170,449	177,097
STA SVCS RICHMOND CA	153,524	142,911	148,485
STA SVCS STOCKTON CA	153,228	167,016	173,530
STA SVCS GRAND JUNCTION CO	152,714	135,131	140,401
STA SVCS RHINECLIFF NY	152,253	175,532	182,378
STA SVCS ALTON IL	150,537	158,609	164,795
STA SVCS VANCOUVER WA	150,187	145,060	150,717
STA SVCS BUFFALO NY	149,642	152,726	158,682
STA SVCS EL PASO TX	148,893	155,956	162,038
STA SVCS CHARLOTTE NC	148,757	192,349	199,851
STA SVCS PETERSBURG VA	148,197	165,781	172,246
STA SVCS RENO NV	147,837	181,421	188,496
STA SVCS TEXARKANA AR	146,671	165,558	172,015
STA SVCS JOHNSTOWN PA	144,344	169,209	175,808
STA SVCS WORCESTER MA	143,745	160,430	166,687
STA SVCS KINGSTON RI	142,633	143,348	148,939
STA SVCS SOUTH BEND IN	141,748	103,330	107,360
STA SVCS ESSEX JCT VT	139,647	150,879	156,763
STA SVCS TUCSON AZ	139,067	128,422	133,430
STA SVCS WINTER PARK FL	137,367	144,365	149,995
STA SVCS YOUNGSTOWN OH	137,114	143,536	149,134
STA SVCS PASCO WA	130,518	119,139	123,785
STA SVCS NEWTON KS	127,364	140,649	146,134
STA SVCS AKRON OH	127,180	131,278	136,398
STA SVCS LINCOLN NE	125,307	114,989	119,474
STA SVCS SHELBY MT	125,224	114,818	119,296
STA SVCS KLAMATH FALLS OR	122,911	158,991	165,192
STA SVCS GRAND FORKS ND	119,710	145,760	151,445

ALL OTHER STATIONS	FY92 ACTUALS	FY93 BUDGET	FY94 PROJECTED
STA SVCS SALEM OR	116,999	126,904	131,853
STA SVCS CENTRALIA WA	116,588	111,809	116,170
STA SVCS MERIDEN CT	116,330	109,094	113,349
STA SVCS FT MADISON IA	115,109	114,809	119,287
STA SVCS DEVILS LAKE ND	114,916	112,455	116,841
STA SVCS DELAND FL	114,480	86,693	90,074
STA SVCS HAVRE MT	113,754	158,587	164,772
STA SVCS BOISE ID	113,270	106,719	110,881
STA SVCS FLINT MI	111,753	111,849	116,211
STA SVCS GLENWOOD SP CO	111,091	103,519	107,556
STA SVCS LANSING MI	110,923	98,487	102,328
STA SVCS FARGO ND	110,044	123,570	128,389
STA SVCS GRAND CENTRAL NY	109,514	158,042	164,206
STA SVCS CHARLESTON WV	108,400	126,359	131,287
STA SVCS NEWPORT NEWS VA	108,338	138,489	143,890
STA SVCS MINOT ND	107,877	127,993	132,985
STA SVCS CHEYENNE WY	106,588	117,177	121,747
STA SVCS LONGVIEW TX	106,241	121,330	126,062
STA SVCS OTTUMWA IA	105,564	106,452	110,604
STA SVCS LAJUNTA CO	105,271	101,562	105,523
STA SVCS WILLIAMSBURG VA	105,177	131,607	136,740
STA SVCS GARDEN CITY KS	104,209	108,951	113,200
STA SVCS POCATELLO ID	102,868	103,263	107,290
STA SVCS HASTINGS NE	102,680	112,100	116,472
STA SVCS LACROSSE WI	103,433	99,568	103,451
STA SVCS MONTPLIER JCT VT	101,859	85,293	88,619
STA SVCS PORT HURON MI	100,265	87,858	91,284
STA SVCS SALINAS CA	98,918	69,471	72,180
STA SVCS TEMPLE TX	97,127	163,385	169,757
STA SVCS ST PETERSBURG FL	96,276	87,362	85,125
STA SVCS LAMY NM	95,934	94,679	98,371
STA SVCS SEBRING FL	95,001	84,535	87,832
STA SVCS GREENVILLE SC	94,722	125,770	130,675
STA SVCS EVERETT WA	94,593	100,589	104,512
STA SVCS MOBILE AL	94,280	110,289	114,590
STA SVCS MCCOMB MS	93,720	154,675	160,707
STA SVCS WILLISTON ND	93,056	115,812	120,329
STA SVCS CENTRALIA IL	91,623	78,416	81,474
STA SVCS NORTH PHILA PA	91,419	125,129	130,009
STA SVCS OCALA FL	91,385	98,020	101,843
STA SVCS BURLINGTON IA	91,277	114,746	119,221
STA SVCS CHILLICOTHE IL	90,423	80,763	83,913
STA SVCS WHITE RIVER JT VT	87,439	107,965	112,176

ALL OTHER STATIONS	FY92 ACTUALS	FY93 BUDGET	FY94 PROJECTED
STA SVCS DELRAY BEACH FL	86,753	89,383	92,869
STA SVCS HAMMOND LA	84,805	155,810	161,887
STA SVCS ALBANY OR	84,536	93,657	97,310
STA SVCS NIAGARA FALLS NY	84,152	80,211	83,339
STA SVCS SANFORD FL	82,849	77,582	80,608
STA SVCS NAPERVILLE IL	82,135	75,146	78,077
STA SVCS AMSTERDAM NY	79,037	90,410	93,936
STA SVCS LAKELAND FL	78,921	76,885	79,884
STA SVCS HOMEWOOD IL	78,468	80,132	83,257
STA SVCS CLEARWATER FL	77,407	79,597	82,701
STA SVCS WALDO FL	76,688	90,956	94,503
STA SVCS EDMONDS WA	73,121	86,779	90,163
STA SVCS SARATOGA SPR NY	71,512	73,658	76,531
STA SVCS ST ALBANS VT	67,723	82,392	85,605
STA SVCS TUSCALOOSA AL	60,797	78,240	81,291
STA SVCS LARAMIE WY	66,720	132,249	137,407
STA SVCS KISSIMMEE FL	60,439	4,316	4,484
STA SVCS PRINCE WV	57,476	82,590	85,811
STA SVCS BERLIN CT	57,161	65,732	68,296
STA SVCS WESTERLY RI	54,382	61,791	64,201
STA SVCS COLUMBUS WI	53,374	95,793	99,529
STA SVCS SOUTHRN PINES NC	51,051	56,559	58,765
STA SVCS SUB STA PHILA PA	48,611	54,967	57,111
STA SVCS COATSVILLE MALV	45,718	72,135	74,948
STA SVCS IRVINE CA	44,974	50,640	52,615
STA SVCS GLACIER PARK MT	43,489	35,324	36,702
STA SVCS MONTREAL PQ	5,001	14,081	14,630
STA SVCS MONTGOMERY AL	1,009	1,002	1,041
STA SVCS YEMASSEE NC	755	-	-
STA SVCS HUNTINGTON WVA	-	119,935	124,612
STA SVCS WINONA MN	-	87,745	91,167
STA SVCS DOWNINGTON PA	-	50,996	52,985
STA SVCS PENSACOLA FL	-	45,906	101,498
STA SVCS TALLAHASSEE FL	-	97,688	101,498

MARKETING AND RESERVATION EXPENSES

Mr. CARR. Please update the marketing and reservations expense breakdown shown on page 914 of last year's hearing record by providing data for fiscal years 1992 through 1994.

[The information follows:]

MARKETING AND RESERVATIONS

[In millions of dollars]

	Fiscal years		
	1992 actual	1993 projected	1994 estimated
PROGRAMS:			
Sales	14.1	14.1	14.1
Advertising/promotion	40.1	47.2	50.7
Reservations	53.1	58.1	59.1
Travel agent commissions	34.7	38.5	38.5
Credit card commissions	9.9	11.9	11.9
System access fees	5.9	6.4	6.4
Support	19.3	20.1	20.1
Total	177.2	196.4	200.9

Note: Fiscal year 1994 levels are in constant fiscal year 1993 dollars.

GENERAL SUPPORT COSTS

Mr. CARR. Please update the breakdown of general support costs as shown on page 914 of last year's hearing record.

[The information follows:]

DETAIL ANALYSIS OF GENERAL SUPPORT

[In millions of dollars; fiscal years]

	1992	Revised 1993	Estimated 1994	Manpower		
				1992	Revised 1993	Estimated 1994
Information systems	$35.1	$36.4	$37.0	275	288	295
Police and security	17.0	17.6	18.0	339	325	327
Revenue acct./field payroll operations	13.8	15.0	15.2	308	340	341
Support services	19.0	11.9	12.3	56	62	62
Claims	6.1	6.7	6.9	67	67	86
Personnel/training	10.7	11.2	12.6	170	178	180

Note: Fiscal year 1994 costs are in constant fiscal year 1993 dollars.

INSURANCE AND INTEREST COSTS

Mr. CARR. Please update the breakdown of insurance and interest expenses as shown on page 915 of last year's hearing record by providing data for fiscal years 1991 through 1994.

[The information follows:]

[In millions of dollars]

	Fiscal years			
	Actual 1991	Actual 1992	Revised 1993	Projected 1994
Real estate taxes	(1.4)	0.6	1.2	1.2
Diesel/gasoline fuel tax	0.0	2.8	2.7	2.9
FRA user fees	0.0	1.6	1.5	1.6
Purchased insurance	5.9	5.5	7.8	7.8
Passenger claims	14.8	13.3	15.7	16.3
Employee claims	34.7	31.9	37.6	39.0
Crossing claims and other	10.0	7.0	8.2	8.5
Interest	13.3	17.8	26.0	35.9
Total	77.3	80.5	100.7	113.2

DEPRECIATION COSTS

Mr. CARR. Please update the data on depreciation costs as shown on page 915 of last year's hearing record by providing data for fiscal years 1993 and 1994.

[The information follows:]

DEPRECIATION COSTS

($ MILLIONS)

	FY 93 ESTIMATE			FY 94 PROJECTION		
	UNITS	VALUE	DEPR.	UNITS	VALUE	DEPR.
TOTAL DEPRECIATION			210.2			215.2
ANALYSIS BY ACCOUNT						
ROAD		2,857.3	127.2		2,990.8	128.7
SHOP & MACHINERY		23.6	0.8		23.6	0.8
AMFLEET I & II	641	412.7	15.8	641	440.2	15.6
HORIZONS	103	108.8	5.5	103	112.9	5.6
LOCOMOTIVES	417	438.7	28.2	447	610.0	33.5
HERITAGE CARS	741	208.2	3.9	684	213.8	3.9
PUSH/PULL CARS	24	27.6	1.1	24	28.4	1.1
TURBINE CARS	65	76.5	3.4	51	71.5	3.1
SUPERLINERS	282	368.5	14.0	346	570.2	15.7
OTHER (Incl. R & D, Auto Carriers, Other Equip)	84	97.9	10.3	81	99.2	7.0
		4619.7			5,160.6	

NOTE: The asset costs are depreciated on a composite straight-line basis over their estimated useful lives as determined by the company based guidelines established by the Interstate Commerce Commission.

Projection for asset values based on estimated levels at 12/31/92 and 09/30/94.

GENERAL AND ADMINISTRATIVE COSTS

Mr. CARR. Please update the breakdown of general and administrative costs and staffing as shown on page 916 of last year's hearing record by providing data for fiscal years 1993 and 1994.

[The information follows:]

DETAILED ANALYSIS OF GENERAL AND ADMINISTRATIVE COSTS AND STAFFING

[In millions of dollars; fiscal years]

	Revised 1993	Estimated 1994	Manpower–FTE	
			Revised 1993	Estimated 1994
Board of directors	$0.2	$0.2	2	2
President	2.8	2.9	14	14
Internal affairs	4.4	4.4	70	74
Government and public affairs	2.0	2.0	24	25
Law	15.0	15.1	38	38
Finance and admin	17.2	17.3	266	268
Corp Planning and Development	1.5	1.5	19	19
Personnel	2.7	2.7	31	35
Labor relations	1.6	1.5	17	17

INFLATION RATE CALCULATION

Mr. CARR. Please update the table comparing original and revised Amtrak inflation estimates, as shown on page 918 of last year's hearing record, by providing data for fiscal years 1991 through 1994.

[The information follows:]

[In percent]

	Fiscal year 1991		Fiscal year 1992		Fiscal year 1993	Grant request estimate	Fiscal year 1994
	Actual	Grant request estimate	Actual	Grant request estimate	Estimate		Grant request estimate
Railroad labor and benefits	2.2	4.2	1.6	2.8	3.4	2.6	5.5
Amtrak labor and benefits	2.6	4.6	2.6	4.4	6.1	5.3	4.8
Fuel and power	7.5	10.2	−8.5	−7.0	6.8	4.2	2.1
Material	2.4	2.7	0.9	2.6	2.4	2.6	1.8
Other [1]	4.9	3.0	3.0	3.1	3.2	2.9	3.1
Composite	3.3	4.4	1.6	3.1	5.0	4.5	3.9
Dollar impact (in millions)	$77.6	$76.6	$68.4	$55.2	$75.6	$79.5	$73.0

[1] Includes items such as insurance, commissions, interest, performance incentives etc.

WAGE/PRICE INCREASES

Mr. CARR. Please provide a breakdown of your fiscal year 1994 estimates for wage and price increases, similar in format to the chart on pages 918 and 919 of last year's hearing record.

[The information follows:]

[In millions of dollars]

	Cost base	Inflation percent	Inflation impact
Labor/benefits	$1,211.3	5.1	$61.2
Fuel and power	169.2	2.1	3.6
Materials	177.6	1.8	3.1
Food/on board supplies	65.3	3.7	2.4
Other	88.8	3.0	2.7
Total	$1,712.1	4.3	$73.0
Non-inflated items	531.2	0.0	0.0
Electricity	91.9	1.1	1.0
Diesel fuel	70.0	3.6	2.5
Gasoline/mixed fuel	7.3	0.4	0.0
Total	$169.2	2.1	$3.6

GAO RECOMMENDATIONS

Mr. CARR. Please provide a status report on Amtrak's implementation of GAO recommendations in the December 1992 report entitled "Improvements Needed for Employees Who Inspect and Maintain Rail Equipment."

[The information follows:]

A high-level committee was established to oversee the implementation of the recommendations in the aforementioned report. It developed requirements, a training plan, and requested funding for the following areas:

1. C&S Signal Maintainers Training—developed and implemented training plan; established advisory committee to review training and testing; and new training plan began March 22, 1993, and should be completed by December 1994, for 440 employees in fiscal year 1993 and 463 in fiscal year 1994.
2. Carmen Set-up Training—analyzed duties and tasks; compiled training materials from across the country; requested an instructional developer to construct the course; and anticipate training to begin early fiscal year 1994.
3. Foreman/General Foremen Safety Training—analyzed safety sensitive training requirements; developed preliminary training plan; requested an instructional developer to construct the course; and anticipate training to begin early fiscal year 1994.

THE SUNSET LIMITED

Mr. CARR. Amtrak recently expanded its Sunset Limited by adding a link between New Orleans and Jacksonville. This train now provides service between Los Angeles and Miami. The Sunset Limited's 3,066 mile route takes 68 hours and is the first to span the Nation coast-to-coast without a train change. A 1991 FRA study estimated that Amtrak would lose more than $1 million in the first year of this service.

What is the latest estimate of the amount that Amtrak will lose in fiscal year 1993 and 1994 by providing the Sunset Limited service?

[The information follows:]

Amtrak worked in conjunction with the FRA on the 1991 study of the extension of the Sunset Limited to Miami. The results of that study projected that the existing Sunset Limited long-term avoidable loss would be increased by $1.1 million due to the extension of service of Miami. The actual Sunset Limited long-term avoidable loss for fiscal year 1992, prior to the extension, was $9.8 million. This is projected to increase to $12.6 million in fiscal year 1993, and $14.6 million in fiscal year 1994. The additional $2.8 million in fiscal year 1993 and $4.8 million in fiscal year 1994 is due to a number of changes in assumptions versus the original 1991 study. Approximately $1.1 million is due to the inclusion of pilot and qualification costs for train and engine crews in the first year; another $1.0 million is due to the inflation of costs since the study was completed two years ago; there are also two additional year-round cars and one additional peak period coach in the current consist, adding to maintenance of equipment, onboard service, and several other operating costs.

It is a characteristic of rail passenger service that almost every new service loses money in the first few years of operation. So, although this new service is projected to have an operating deficit, Amtrak feels strongly that if we are ever going to move towards covering our operating costs with revenues, we must be providing service to the growing markets in this country. The "Sunbelt" which includes the southwest states and Florida is one of the fastest growing markets and represents a valuable opportunity for Amtrak to develop future revenues.

Mr. CARR. How much funding was provided by Amtrak, the States, and FRA to upgrade the roadbed, signals, train stations, et cetera in order to open up this new service?

[The information follows:]

Amtrak provided $450,000 in capital for communications and support equipment at staffed stations and T&E/OBS crew facilities.

The track and signal improvement were funded by the states of Florida, Alabama, Mississippi, and Louisiana.

The local communities provided funding for platforms and station facilities at staffed and unstaffed locations along the route.

MANDATORY PASSENGER RAIL SERVICE PAYMENTS

Mr. CARR. Your justification refers to a $14 million "reconciling adjustment" of your fiscal year 1994 request for mandatory passenger rail service payments.

What does this mean?

[The information follows:]

The authorization language of the mandatory payments requires that there be a periodic reconciliation of the original estimates to actual, based on Amtrak's actual liability for these payments and the Railroad Retirement Board's estimate of benefits paid. In fiscal year 1991 Amtrak estimated that the mandatory payments would run approximately $145 million. Due to the delays in union contract negotiations, wage increases anticipated in fiscal year 1991 did not materialize. This resulted in a revised fiscal year 1991 requirement of $131 or $14 million less than the original estimate. To balance the books, so to speak, the $14 million has to be reduced for Amtrak's fiscal year 1994 estimate of mandatory payments.

ON-BOARD AND STATION STAFFING REDUCTIONS

Mr. CARR. On page 5, you state that Amtrak has been required to reduce on-board and station staffing in fiscal year 1993 due to budget shortfalls. Please provide some details on the magnitude of these reductions.

[The information follows:]

Recognizing the funding constraints and the recessionary impact on the travel industry, Amtrak reduced on-board/support and stations staffing assignments by approximately 307 people. This was done on numerous trains and in various stations.

ADVERTISING AND SALES

Mr. CARR. Please explain why an additional $7 million is needed in fiscal year 1994 for advertising and sales support.

[The information follows:]

In order to lessen the impact of resources reductions on other areas of the company, we successively reduced our advertising and promotion budgets in both 1992 and

1993. Our highest priority has been to maintain the quality of our service, minimizing the impact of cost reductions on those things that are most apparent to our customers.

In 1992, we reduced our advertising and promotion budget by $1.3 million and by an additional $5.7 million in 1993. The $7 million will restore our marketing programs to their 1991 levels. This funding will allow us to restore advertising and promotion to markets that had to be dropped, and restore advertising to other markets that were reduced.

PORTLAND TO BOSTON SERVICE

Mr. CARR. Please explain when you anticipated providing service on the Portland, Maine, to Boston, Massachusetts, route and state your estimated revenues and costs for that service.

[The information follows:]

We anticipate that Amtrak service between Boston and Portland, Maine can be initiated in late 1994 or early 1995 if all track and infrastructure upgrading necessary to achieve passenger train speeds can be completed during the 1994 work season. In 1991, Amtrak evaluated operating three daily round trips, with two and a half hour running times, and forecast the service would generate $2 million in passenger revenue, and incur a long-term avoidable cost of $5.4 million which would be shared with the state under section 403(b) of the Rail Passenger Service Act. Amtrak has agreed to provide the necessary two sets of equipment.

GRADE CROSSING IMPROVEMENT

Mr. CARR. How much is Amtrak requesting in fiscal year 1994 for the improvement or elimination of grade crossings? And how does that compare to fiscal year 1993?

[The information follows:]

Amtrak's capital and Northeast Corridor Improvement grant requests for fiscal year 1994 do not include any funds for grade crossings. Fiscal year 1993 did not include any grade crossing improvements either.

All grade crossings between Washington and New Haven, where Amtrak currently has high-speed operations, have been eliminated. Amtrak plans to work with the states to eliminate remaining crossings between New Haven and Boston before high-speed operations can begin. Actual work is planned in the future years.

Amtrak will similarly plan to cooperate in the elimination of affected grade crossings elsewhere in the country where high-speed operations may be feasible.

SUPERLINERS

Mr. CARR. On page 11, you refer to the expansion of the Superliner passenger cars to additional routes. What routes are you using Superliners on today? And what new routes are you contemplating?

[The information follows:]

Currently Amtrak's Superliners are primarily used on long-distance routes that extend west of the Mississippi River. These routes include: Chicago-Seattle/Portland, Chicago-Salt Lake City-Oakland, Chicago-Albuquerque-Los Angeles, Chicago-Little Rock-Texas—(Los Angeles), Los Angeles-New Orleans-Miami, Los Angeles-Sacramento-Seattle, Seattle-Portland, (Chicago)-Denver-Seattle, and (Chicago)-Salt Lake City-Los Angeles. With the delivery of the new Superliner cars, the following routes that currently operate with Heritage and Amfleet equipment will be converted to Superliner equipment: Washington-Pittsburgh-Chicago, Chicago-Memphis-New Orleans, and the Lorton, VA-Sanford, FL *Auto Train*.

PART-TIME STATION EMPLOYEES

Mr. CARR. On Page 12, you are estimating savings of $1.1 million due to the increased use of part-time station employees. Please explain this in more detail.

[The information follows:]

It has been our strategy to effectively incorporate the use of part-time employees into our work force. This allows us to reduce associated health and welfare costs and schedule more efficiently by: replacing less productive full-time positions with specifically designed part-time shifts, adding part-time positions in lieu of working regularly scheduled full-time employees at overtime rates during peak business hours, staffing part-time shifts in lieu of using "scheduled overtime" at smaller locations, and utilizing part-time employees when establishing new services and/or facilities.

CONTINUOUS QUALITY IMPROVEMENT

Mr. CARR. On page 14, please explain in detail what measurable improvements you hope to achieve from your Continuous Quality Improvement program.

[The information follows:]

Continuous Quality Improvement (CQI) will help Amtrak achieve its vision of becoming a justly proud, operationally self-sufficient, customer-focused, national rail passenger service preferred by the public for a variety of travel needs.

We are developing ways to measure our success with CQI when it is fully implemented. We expect to measure better employee relations by taking periodic surveys of employee attitudes. The first baseline survey as a follow-up to last year's focus groups will be taken later this year. We will also be able to measure employee involvement on improvement teams.

We will also measure increased quality and reduced costs through train and equipment reliability, and cost of passenger reaccommodations and claims.

We will measure customer satisfaction through surveys, customer letters, and repeat patronage.

And finally, we will measure our financial performance through our revenue-to-expense ratio.

INFLATION ESTIMATE

Mr. CARR. On page 20, you are assuming inflation of 3.9 percent for fiscal year 1994, which is higher than the 2.9 percent assumed in the President's budget.

Why are you using a higher rate?

[The information follows:]

The inflation estimate for fiscal year 1994 reflects Amtrak's unique mix of cost. The 3.9 percent rate is primarily driven by wage and spiralling health care costs. The composite increase of labor and benefits is estimated at 5.1 percent. Other factors include:

	Percent
Fuel and power	2.1
Materials	1.8
Food/on board supplies	3.7
All other	3.0

REVENUE FORECASTS

Mr. CARR. Your grant request assumes total revenue of $1,592,500,000 in fiscal year 1994, an increase of 8.3 percent over fiscal year 1993.

Isn't this optimistic, given the revenue situation today?

[The information follows:]

Whether the fiscal year 1994 revenue forecast is optimistic or not is totally predicated on the recovery of the economy. If the current sluggish recovery continues, the fiscal year 1994 revenue forecast would indeed prove to be optimistic. If the recovery gains strength and the economy begins to expand then the forecast would prove to be realistic. In either case, we will continue to monitor the situation through the summer and adjust our revenue assumptions prior to the beginning of the fiscal year.

Mr. CARR. Why are your restricted revenues projected to rise from $6.5 million in fiscal year 1993 to $32.8 million in fiscal year 1994?

[The information follows:]

Restricted revenues are projected to rise because funding of $13 million is required to cover the fiscal year 1994 principle payment on Amtrak's equipment financing. Additionally, $14 million must be restricted to cover reduced FRA mandatory payments resulting from the reconciling adjustment for fiscal year 1991.

AMTRAK CAPITAL SCHEDULE

Mr. CARR. Please provide a current schedule of estimated equipment deliveries for equipment currently on order, broken down by fiscal year, by month, and by type of equipment.

[The information follows:]

EQUIPMENT DELIVERY SCHEDULE

	1993												1994												1995											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
SUPERLINERS																																				
SLEEPER						1		2	3	2	3	3	2	3	2	3	2	3		3	2	3	2	3	3	3	1									
DELUXE SLEEPER																											1	3	2							
TRANS/DORM								1	1	2	2	3	3																							
DINER														2	3	2	3	2	1	2	3	2														
LOUNGE																							3	2	3	2	3	2								
COACH																													3	5	2	6	5	6	5	6
VIEWLINERS																																				
SLEEPER																									P			2	5	8	10	10	10	4		
LOCOMOTIVES																																				
AMD103-SM					5	5	5	5	5	5	5	5	5	1																						
AMD103-DM																5	5																			

3/15/93

CAPITAL SUPPORT FOR THE NORTHEAST CORRIDOR

Mr. CARR. Please provide a listing and corresponding funding of all items in your 1993 capital plan which apply to the Northeast Corridor, similar to that shown on page 836 of last year's hearing record.

[The information follows:]

The following projects included in the fiscal year 1993 capital plan pertain to the Northeast Corridor:

	In millions of dollars
Replace ties and surface track	$5.4
Sunnyside car washer	2.6
New York control center and office fitout	3.4
Facility improvements at Sunnyside Yard	5.9
Metropark parking garage	5.5
North Philadelphia Station project	1.6
Sound Barriers at South Hampton Yard in Boston	0.5
Principal payment for the 30th Street Station	5.2
Total	$30.1

1993 CAPITAL PLAN

Mr. CARR. Please also provide a complete listing of projects and funding in your approved fiscal year 1993 capital plan, similar to that shown on pages 837 through 839 of last year's hearing record.

[The information follows:]

Total available capital of $165 million was equal to the capital grant, as shown in the attachment.

FY93 CAPITAL PLAN PROJECTS
($000's)

PROJECT NUMBER	PROJECT TITLE	FY93 PLAN
ROLLING STOCK MODIFICATIONS		
2532	EQUIPMENT & FACILITY TOILET MODIFICATION	9,600
2537	FY93 OVERHAUL PROGRAM	35,000
3801	ADDITIONAL FY93 OVERHAULS	20,700
2526 *	WRECK/OVERHAUL FINANCING	675
2538	WRECK/FIRE DAMAGED	1,000
2502	AEM-7 MODIFICATIONS	2,200
2504	F-40 LOCOMOTIVE MODIFICATIONS	2,900
	SUBTOTAL - ROLLING STOCK MODIFICATIONS	72,075
NEW EQUIPMENT		
2511	NEW EQUIPMENT ACQUISITION	19,250
2523 *	GE LOCOMOTIVE DASH-8	3,311
2524 *	GE LOCOMOTIVE 32-AMD	2,029
2527 *	SUPERLINER PURCHASE	10,364
2900 *	LOCOMOTIVE ACQUISITION	304
	SUBTOTAL - NEW EQUIPMENT	35,258
MAINTENANCE FACILITIES		
2515 *	BEECH GROVE MODERNIZATION	2,213
4002	POLLUTION CONTROL - GENERAL SAFETY/ENVIRONMENT	5,500
2525	REPLACE CAR WASHER - SUNNYSIDE YARD	1,637
2518	REPLACE CAR WASHER - SUNNYSIDE YARD	1,000
2513	BEECH GROVE MODERNIZATION	1,295
2544 ***	FACILITY IMPROVEMENTS - SUNNYSIDE YARD	5,900
	SUBTOTAL - MAINTENANCE FACILITIES	17,545
RIGHT OF WAY		
2531 **	CONCRETE TIE REPLACEMENT	0
2516	EMPIRE CONNECTION FENCING	200
2558 ****	HARRISON LAKE I/L RECONFIGURATION	1,705
2533 **	BRIDGE REHABILITATION	0
2536	REPLACE TIES AND SURFACE TRACK	5,400
2534 **	EMBANKMENT STABILIZATION	0
	SOUND BARRIERS	500
	SUBTOTAL - RIGHT OF WAY	7,805

FY93 CAPITAL PLAN PROJECTS
($000's)

PROJECT NUMBER	PROJECT TITLE	FY93 PLAN
INFORMATION/COMMUNICATION		
3006 *	MAINFRAME CONSOLIDATION 3090	1,244
3007 *	MAINFRAME/PERIPHERAL EQUIPMENT	2,463
3009	DISK STORAGE UNITS	600
1000	FIBER OPTICS UPGRADE	8
1305	MAINFRAME RECONCILIATION SOFTWARE	215
5026	TARIFF SYSTEM REPLACEMENT PROJECT	500
3005	DAP PROJECT – LABOR MANAGEMENT SYSTEM	850
	SUBTOTAL – INFORMATION/COMMUNICATIONS	5,880
STATIONS/ON-BOARD SERVICES		
7015	30TH STREET PRINCIPAL PAYMENT	5,239
7012	NORTH PHILADELPHIA STATION PROJECT	1,628
7016	ADA STATION/FACILITY COMPLIANCE	1,738
7013	WASHINGTON UNION STATION OFFICE UPGRADES	200
6050	PASSENGER SERVICES EQUIPMENT	500
7014 *	WESTERN RSO RELOCATION	507
7007	METROPARK PARKING GARAGE PROJECT	5,500
7003	MAJOR STATION PROJECTS/LAUS WAITING ROOM	2,825
7005	NY CONTROL CENTER & OFFICE FITOUT	3,350
	SUBTOTAL – STATIONS/ON-BOARD SERVICES	21,487
OTHER SYSTEM IMPROVEMENTS		
2522	POWER TRANSFORMER REHABILITATION	100
9005	EXTENSION OF THE SUNSET LIMITED	450
0000	RESERVE FOR PROJECTS UNDER $100 K	1,000
5020	GRAPHICS AND SIGNAGE STANDARDS	500
2550	VEHICLE REPLACEMENT PROGRAM	900
5011	MAIL HANDLING FACILITIES	1,500
5003	MATCHING 403(b) STATES	500
	SUBTOTAL – OTHER SYSTEM IMPROVEMENTS	4,950
	TOTAL FY93 CAPITAL PLAN PROJECTS	**165,000**

* CAPITAL COMMITMENTS PREVIOUSLY APPROVED
** REQUESTED REPROGRAMMING OF $14 MILLION IN NECIP FUNDS PROVIDED FOR DUAL-POWER LOCOMOTIVE DEVELOPMENT
*** WILL FUND ADDITIONAL $1 MILLION FROM FY94 FUNDS
**** WILL FUND APPROXIMATELY $1.3 MILLION ADDITIONAL FROM FY94 FUNDS

NOISE ABATEMENT—BOSTON

Mr. CARR. Please update us on the status of your noise abatement activities at Amtrak's Southampton Yard in Boston, Massachusetts and provide a schedule for completion of this project.

[The information follows:]

Amtrak, together with the MBTA and Andrew Square community officials, have worked hard to find an acceptable means of mitigating railroad operations noise generated at the Southampton Yard facility. Representative John Joseph Moakley has played an instrumental role in helping to facilitate the compromises that have been required to accommodate the difficult issues involved in addressing the concerns of local residents. A plan has been agreed to in principle by all parties for the construction of a 600′ noise barrier between the Yard and the Andrew Square residences. Amtrak's engineering department is finalizing design plans, which must be agreed to by the MBTA to avoid any impact of the noise barrier on MBTA tracks over which the Old Colony commuter service will operate. Assuming that MBTA agrees to the plans, construction of the sound barrier will be completed this year.

FIVE YEAR PROJECTIONS OF CAPITAL

Mr. CARR. Please update the five-year estimates of Amtrak's overall capital funding requirement as shown on page 920 of last year's hearing record.

[The information follows:]

The estimated funding requirement for fiscal years 1994 through 1998 is shown in the table attached.

Several key elements to note are:

Equipment requirements over the next six years are more than $1.5 billion. Due to constraints on capital, we can only fund $128 million in fiscal year 1994. Remaining acquisitions—such as Viewliners and locomotives—will require about $1.4 billion spread over fiscal year 1995 and fiscal year 1999.

Starting in fiscal year 1992, Amtrak began capitalizing equipment overhauls. In fiscal year 1994, this requirement will total $70 million. This amount is projected to increase in the future as our equipment gets older.

Even if Amtrak receives the total amount requested in the attached table over the next five years, there will be major programs that are either underfunded or unfunded. Major capital expenditures are needed for maintenance facility and right of way improvements estimated at nearly $1.5 billion over the next ten years. The attached display provides program specific details, as explained, in the footnotes.

AMTRAK'S CAPITAL FUNDING REQUIREMENTS
ESTIMATES FOR FY94–FY98
($ in millions)

FUNDING REQUIREMENTS

	FY94	FY95	FY96	FY97	FY98
Rolling Stock – New (1)	128	294	308	291	267
Rolling Stock – Modifications (2)	98	118	144	139	160
Maintenance Facilities (3)	19	40	40	40	40
Stations/On–Board Services (4)	19	20	21	22	23
Info. and Communication	8	8	9	9	10
Right of Way (5)	26	50	50	50	50
Other	10	11	11	12	12
TOTAL	308	541	583	563	562

FUNDING SOURCES

	FY94	FY95	FY96	FY97	FY98
Federal funding – general	180	247	275	272	295
Federal funding – new equipment	128	294	308	291	267
Financing – new equipment (6)	58	0	0	0	0
TOTAL	250	541	583	563	562

Footnotes:

(1) Assumes equipment requirements of over $1.5 billion will be met by FY99. Due to constraints on available capital, we can only fund $128 million in FY94. Remaining acquisitions – such as Viewliners and locomotives – will require $1.4 billion between FY95 and FY99. This does not include $450 million for high–speed trainsets required for Northeast Corridor service.

(2) The capital requirement for the equipment overhaul program is assumed to grow $20 million per year as older equipment is included in the overhaul program. In addition, the toilet modification program is expected to cost $20 million per year in FY94 and FY95 and an additional $25 million in FY96 to complete the program.

(3) In FY94, we are only funding $19 million out of a ten year requirement of $380 million. The ten year requirement includes major programs such as Sunnyside Yards, NY ($116 million), Los Angeles ($85 million), Wilmington and Bear, DE ($63 million), Beech Grove, IN ($43 million), and Chicago ($22 million).

(4) These funding levels barely cover essential repairs and certain ADA requirements which must be completed within the next several years. Major station developments, such as New York Penn Station, are not included.

(5) Over the next ten years, Amtrak will require $1.1 billion in right of way improvements. Due to capital constraints, our expected funding level is significantly less. Major programs include: bridge program (rehabilitation, replacement, deck conversion, etc.) – $266 million; track program (replace ties, surface track, etc.) – $173 million; electric traction system upgrade – $197 million; New York tunnels and Penn Station – $176 million; and, replacement of maintenance of way equipment – $91 million. This does not include NHRIP funding.

(6) Including the private financing required to purchase the high–speed trainsets for the Northeast Corridor, Amtrak will reach its debt limit of $1.2 billion in FY94. Amtrak will be unable to service a debt commitment of more than this amount from operating revenues.

EQUIPMENT ACQUISITIONS—FISCAL YEAR 1994

Mr. Carr. Please provide a detailed breakdown of your fiscal year 1994 estimate of $128.4 million for rolling stock, listing the type of equipment and number of vehicles to be procured with fiscal year 1994 funds, the corresponding budgeted amount for each item, and the number of vehicles to be procured in future years.

[The information follows:]

Amtrak's equipment acquisition plan includes the purchase of one or more of the following equipment programs. Actual fiscal year 1994 acquisitions will depend on the grant level received and Amtrak's ability to privately finance a portion of the acquisition cost.

The $128,400,000 includes $12.4 million for prior acquisitions of locomotives, Superliners, and Viewliners. The remaining $116 million will be used to purchase one or more of the following: 13 electric locomotives; 15 switching locomotives; 50 Viewliner sleepers; 23 Auto Carriers; and 110 RoadRailers for U.S. mail business.

See the attached for a complete listing of current and future proposed equipment acquisitions.

AMTRAK EQUIPMENT ACQUISITION PLAN
FY92$

	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	TOTAL
DIESEL LOCOMOTIVES										
UNITS			30	30	30	30	22	22	22	186
$ (MILLIONS)			90.5	90.5	90.5	90.5	66.3	66.3	66.3	560.9
ELECTRIC LOCOMOTIVES										
UNITS	13				10	10	10	15		58
$ (MILLIONS)	91.0				55.0	55.0	55.0	82.5		338.5
SWITCHING LOCOMOTIVES										
UNITS	15	15	15	15						60
$ (MILLIONS)	4.7	4.7	4.7	4.7						18.8
VIEWLINERS										
UNITS	50	102	68							220
$ (MILLIONS)	118.2	233.5	149.1							500.8
AUTO CARRIERS										
UNITS	23				36					59
$ (MILLIONS)	7.2				11.3					18.5
BAGGAGE CARS										
UNITS			60	62						122
$ (MILLIONS)			37.5	38.8						76.3
MATERIAL HANDLING CARS										
UNITS			60							60
$ (MILLIONS)			26.5							26.5
ROADRAILERS										
UNITS	110	165								275
$ (MILLIONS)	8.3	12.4								20.7
TOTAL – $ (MILLIONS)	229.4	250.6	308.3	134.0	156.8	145.5	121.3	148.8	66.3	1,561.0

OPERATING STATISTICS

Mr. CARR. Please provide a copy of page 17 of your 1992 annual report, which contains five year comparative data on operating statistics and equipment fleets.

[The information follows:]

Operating Statistics

	1992	1991	1990	1989	1988
General					
System Route Miles (in thousands)	**25**	25	24	24	24
Stations	**524**	523	516	504	498
Train Miles Operated (in millions)	**34**	34	33	31	30
On-Time Performance					
Systemwide	**77%**	77%	76%	75%	71%
Short Distance	**82%**	82%	82%	81%	76%
Long Distance	**61%**	59%	53%	54%	54%
Ridership					
Passengers (in millions)	**21.3**	22.0	22.2	21.4	21.5
Northeast Corridor	**10.1**	10.9	11.2	11.1	11.2
Short Distance	**5.3**	5.0	5.2	4.7	4.8
Long Distance	**5.9**	6.1	5.8	5.5	5.4
Passenger Miles (in millions)	**6,091**	6,273	6,057	5,859	5,678
Locomotive Units					
Operating Fleet	**336**	316	318	312	298
Available for Service (daily average)	**83.0%**	86.0%	84.0%	84.1%	87.2%
Average Age (in years)	**13.0**	13.0	12.0	11.0	10.0
Diesel Units (new deliveries)	**20**	0	0	8	9
Electric Units (new deliveries)	**0**	0	0	5	1
Passenger Train Cars					
Operating Fleet	**1,796**	1,786	1,863	1,742	1,710
Owned and Leased*					
Superliner Cars	**282**	282	282	282	282
Amfleet I Cars	**492**	489	482	483	483
Amfleet II Cars	**148**	149	149	149	149
Heritage Cars	**823**	826	841	827	813
Turboliner Cars	**65**	65	65	65	65
Self-Propelled Cars	**19**	19	28	40	43
Low-Level Cab Cars	**30**	34	33	21	18
Horizon Cars	**103**	103	103	45	0
Total Owned and Leased	**1,962**	1,967	1,983	1,912	1,853
Average Age (in years)	**21.5**	21.0	20.0	17.5	16.6

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* Includes some older or damaged cars awaiting overhaul, conversion to head-end power, or sale

ROLLING STOCK STATISTICS

Mr. **Carr.** Please update the data on your passenger car and locomotive fleets as shown on page 931 of last year's hearing record.

[The information follows:]

Equipment type:	*Amount*
Diesel locos	261
Electric locos	65
Switcher locos	79
Superliner cars	282
Amfleet I cars	491
Amfleet II cars	148
Heritage cars	602
Material handling cars	143
Horizon cars	103
Viewliner cars	3
Turboliner cars	51
Cab cars	30
Total owned and leased	2,258

Mr. **Carr.** Please update the two charts showing passenger car and locomotive fleet average ages, as shown on page 931 of last year's hearing record.

[The information follows:]

Please update the two charts showing passenger car and locomotive fleet average ages, as shown on page 931 of last year's hearing record.

	1992	1993	1994
Average Age of Car Equipment			
Amfleet	15	16	17
Superline	12	13	14
Heritage	35	36	37
Horizon	3	4	5
Average Age of Locomotive Equipment			
AEM7	10	11	12
E60	17	18	19
F40	13	14	15
FL9	35	36	37
P32	1	2	3

MAIL HANDLING

Mr. **Carr.** On page 23, you plan to acquire 110 road railers to expand your mail business, if the feasibility tests prove successful. Please explain the nature of these tests and provide a schedule for their completion.

[The information follows:]

The prototype Roadrailer units were tested on the Amtrak Northeast Corridor line for stability under all possible loading configurations, including unbalanced or shifted lading. A top speed of 102 mph was achieved without any signs of instability. Upon completion of Northeast Corridor tests simulated mail operations were conducted on Conrail, CSX, and Santa Fe railroads.

On the Santa Fe in western Colorado, the Roadrailer wheels for the first time exhibited a "hunting" condition at 78 mph. The manufacturer of the trucks and the Roadrailer technical team reanalyzed the data and made modifications to the design which was then successfully retested. The Santa Fe did, however, request that the Roadrailers be retested after 100,000 miles of service. Amtrak contracted with the

Association of American Railroads, Pueblo Transportation Test Center to do that testing using worn parts provided by Norfolk Southern, a revenue Roadrailer operator. That testing has just been completed, and the data collected will be used to computer-model a component service life curve.

The final test report and results of the computer modeling are expected by late Summer, 1993 from the AAR Test Center. The testing has shown that the Roadrailer concept is feasible. When capital funds are available, Amtrak intends to review the technical issues in detail with the US Postal Service and Wabash National Corporation, Roadrailer's manufacturer, to formulate a procurement specification that incorporates all the attributes discovered during the testing.

AUTO TRAIN

Mr. CARR. On page 25, you request $4.5 for an expansion of the Auto Train. What are your specific plans and schedules for expansion?

[The information follows:]

Amtrak plans to convert the Auto Train from current Heritage equipment to new Superliner equipment currently on order. With this change, due to the higher capacity of the Superliner equipment, the Auto train's passenger capacity will increase. Amtrak has determined that our current station facilities at the Auto train terminals (Sanford and Lorton) will be inadequate to handle the increased demand. The $4.5 million is the estimated capital requirement for expanding station facilities, enlarging automobile staging areas, and adding loading tracks. The project would be completed in fiscal year 1995.

PASSENGER SERVICE IMPROVEMENTS

Mr. CARR. You are also budgeting $1.7 million for "passenger service improvements." What are these improvements?

[The information follows:]

Capital requirements in this area are significantly higher than the amount requested. The $1.7 million could be used to initiate one or more of the following: Support equipment for mail, baggage, express, and commissary activities. Automated baggage tag dispensers with bar codes. Point of Sale test and development software to inventory and record on-board sales. Miscellaneous commissary improvements. Improved employee facilities (lockers, lunchrooms etc.)

OTHER CAPITAL

Mr. CARR. In your "other capital" account, you have included $1 million for 403(b) funds to be used when States contribute funding for a project beneficial to both parties.

Have you contributed such funds in past years?

[The information follows:]

In fiscal year 1993, $500,000, will be spent on a matching fund program with states and communities for improvements that benefit all parties.

403(B) PROJECTS

Mr. CARR. By what criteria would you allocate these funds to specific 403(b) projects?

[The information follows:]

These funds would not be spent solely on 403(b) projects. Similar to the existing program, it would be spent on projects where state and local matching funds would be included.

NEW YORK TUNNELS AND PENN STATION

Mr. CARR. You are budgeting $24.8 million for improvements to New York tunnels and Penn Station. Please explain in detail your plans and schedules for this work.

[The information follows:]

The $24.8 million budgeted for improvements to New York tunnels and Penn Station includes:

[In thousands of dollars]

Project:	Amount
Life safety drills, training operating personnel	$55
Install walking surface	120
Start Penn Station M&E rehab construction	12,000
Communication & control system (construction)	7,000
New stairway enclosure sprinklers—Penn Station (design, construction)	185
Additional egress design	250
Penn Station fire alarm control panel (design & construction)	180
Improve portal access	120
Provide emergency signage in coaches	630
Provide caches for emergency equip storage	245
Tunnel location markers	310
Tunnel integrity investigation/design	250
Penn Station smoke & heat control lap (design)	100
ET emergency radio system—Penn Station	171
Project management	1,100
Contingency	2,300
Total	25,016

The current estimate is slightly higher than the budget due to various modifications in the original estimate.

PENN STATION RENOVATION

Mr. CARR. Please provide a funding profile by fiscal year showing the total costs for Penn Station renovation.

[The information follows:]

The base project for intermodal transportation facilities at Penn Station and the James A. Farley Building in New York City as outlined in the report presented to Congress on April 1, 1993, is estimated to cost $315 million, including construction hard costs, soft costs (architectural, engineering, development management, permits and insurance, etc.), and factors for contingencies and cost escalation during the projected five-year development period. This figure does not include LIRR improvements now underway, nor planned improvements by NJT to construct an East End Concourse, which is currently estimated to cost $68 million. NJT also intends to improve, at its expense, certain other exclusive use space. This investment is expected to augment the base building investment by millions of dollars.

The following table indicates projected development expenditures by year. Since development will occur during a five-year period, the funding plan can reflect funds to be received throughout this time frame.

[In millions of dollars]

Fiscal year of cash draw down:	Total cost
1994	$20.0
1995	100.0
1996	80.0
1997	65.0
1998	50.0
Total cost	315.0

Mr. CARR. Are any funds included in your fiscal year 1994 capital budget for parking facilities?

[The information follows:]

No funds are included for parking in the fiscal year 1994 NECIP budget.

CALIFORNIA RAIL SERVICES

Mr. McDade. Mr. Claytor, I understand that Amtrak has been working closely with transportation officials in California to expand rail services in that State. I also understand that one of the critical obstacles to adding rail service is the shortage of equipment with which to add service. In response to this need, and with your encouragement, California has committed $150 million in State funds for a "California Car," designed with the assistance of Amtrak to meet their market needs for speeds up to 125 miles per hour and low platform boarding. The car was specifically designed to be compatible with Amtrak's existing fleet. This new equipment will be used to add more trains and not to replace existing services.

In view of California's demonstrated financial commitment to expanding rail service, what are Amtrak's plans to augment its fleet of rolling stock in California?

[The information follows:]

We have assigned 36 Horizon Fleet cars, our newest short distance equipment (built in 1989), to the four Oakland-Bakersfield San Joaquins and the three Sacramento-San Jose Capitols. In addition, we have assigned all 20 of our new P32–8 locomotives, built in 1991–92, to our Los Angeles engine pool. When or new Superliner II sleepers begin arriving late this year, their first line assignments will be on the Miami-Los Angeles Sunset Limited, the Chicago-Los Angeles Southwest Chief, the Chicago-Oakland California Zephyr and the Seattle-Los Angeles Cost Starlight, adding a sleeping car to each train.

We are pleased that California has ordered a fleet of bi-level California cars for short distance services. We have actively participated in their design and development and believe they are excellently suited for their role.

If we had the capital resources, we would replace the Amfleet equipment now running on the San Diegans with California cars. Unfortunately, we do not have sufficient capital funds for this and must reserve what capital we do have for replacing our aging and increasingly unreliable 34–42 year old Heritage Fleet Hi-Level equipment, modernizing our diesel and electric locomotive fleet, remanufacturing our AEM–7 high speed electrics, and adding to our U.S. mail carrying capacity.

Mr. McDade. I understand that the California's contract for the California Car contains options which can be used to expand their existing order, and the cost per coach of the California Car is very competitive with Amtrak's recent Superliner order. Wouldn't it make sense, from the standpoint of operating costs, maintenance requirements, and ease of use to your passengers, to replace Amtrak's existing fleet in California with the California Car?

[The information follows:]

Re-equipping the San Diegans with California cars has several potential benefits: it could improve both passenger handling and on-time performance since the cars are designed with train-lined doors for low-level platform access. Additionally, all short-distance services in California would then operate with a common equipment type. While the California car may be more suited for San Diegan service than our current single-level Amfleet equipment, Amtrak has competing priorities for equipment capital funds. Some equipment programs, such as those for additional 50 Viewliner sleepers and Superliners, would have to be eliminated or deferred if we were to acquire California cars. Viewliners and Superliners will be used to replace aging, increasingly unreliable and labor intensive Heritage Fleet and Hi-Level cars, which average 34–42 years in age.

Mr. McDade. In your written testimony, you indicated that there is an opportunity for Amtrak to invest in California Car shells for future upgrade. What financial commitment would be required to permit you to do so?

How will you work with the State of California to take advantage of this opportunity?

[The information follows:]

The state of California has offered to Amtrak the option to purchase 47 California cars at an estimated cost of $94 million. If we had the capital resources, we would replace the Amfleet equipment now running on the *San Diegans* with California cars. Unfortunately, we do not have sufficient capital funds for this and must reserve what capital we do have for replacing our aging and increasingly unreliable Heritage Fleet and Hi-Level equipment, modernizing our diesel and electric locomotive fleet, remanufacturing our AEM-7 high-speed electrics and adding to our US mail carrying capacity. The Hi-Level and Heritage Fleet equipment which will be replaced by Superliners and Viewliners average 34–42 years in age, while the Amfleet in *San Diegan* service averages 16 years in age.

INTERCITY BUS SERVICE

Mr. DeLay. I understand that Amtrak is now operating on a contract basis numerous inter-city bus services around the country.

What is Amtrak's statutory authorization to use federal funds to provide inter-city bus service?

[The information follows:]

Amtrak's goal is to develop marketing programs and product improvements designed to increase ridership and revenues, improve its revenue/cost ratio and as a result reduce its need for federal subsidy.

Amtrak Thruway feeder bus service contributes to this goal of increasing ridership by linking off-line population centers, not served by rail, to Amtrak's trunk rail lines. This link-up is generally accomplished at no cost by utilizing the routes of private motorcoach carriers.

Congress recognized the revenue value of creating an intermodal feeder bus network when it directed Amtrak in the Rail Passenger Service Act 45 U.S.C. Section 546(j) (1) and (2) to establish such intermodal services. The section reads:

> (j) Intercity through routes and joint fares; cooperation between Corporation and other intercity common carriers of passengers
>
> (1) The establishment of through routes and joint fares, between the National Railroad Passenger Corporation and other intercity common carriers of passengers by rail and motor carriers of passengers, is consistent with the public interest and the national transportation policy. The congress encourages the making of such arrangements.
>
> (2) The Corporation may establish through routes and joint fares with any domestic or international motor, air, or water carrier.

Mr. DeLay. Amtrak is apparently now operating on a contract basis inter-city bus service in major inter-city, interstate bus corridors, some of which are hundreds of miles long. Examples are Omaha-Kansas City, Reno-Boise, Chicago-Madison.

Do you really believe that it is appropriate for our highly subsidized national rail system to run bus service in competition with unsubsidized private sector bus service?

[The information follows:]

All of the bus routes listed are operated solely at the financial risk of the motorcoach carriers involved. Two of the routes, Omaha-Kansas City and Chicago-Madison, are Amtrak Thruway routes where Amtrak and the motorcoach carrier have established a negotiated rate, paid by the passenger, for travel on the bus link. Amtrak reimburses the motorcoach carrier the negotiated fare based solely on tickets collected. No federal funds are involved, only those monies paid by the passenger for the service.

The Reno-Boise link-up is currently only a proposal. The proposal made by a bus operator is for an interline agreement. With an interline agreement Amtrak sells the motorcoach company's published point-to-point fare to passengers wishing to travel. Amtrak receives a 20 percent commission for sales with these interline agreements. Amtrak provides no funding.

Many small independent motorcoach carriers have approached Amtrak for coordinated service over the last year due to change in the bus industry (article attached as background).

All of these interline and Thruway Services add travel options and incremental passengers and revenue to Amtrak trains. Since they serve to reduce Amtrak's deficit rather than increase it, they require no federal funds.

Motorcoach Deregulation at Crossroads

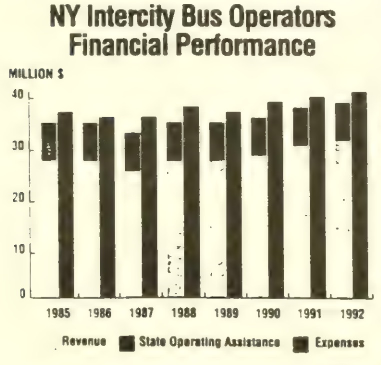
Greyhound charged with lack of cooperation at Senate hearing.

Ten years of megamerger, bankruptcies and intense competition from within and from outside the industry have prompted Sen. James Exon, (D-NE), chairman of the surface transportation subcommittee of the Senate Commerce Committee, to re-examine the wisdom of the 1982 Bus Act.

In March, Exon convened only the second hearing held since the law was implemented and the first since the Greyhound merger with Trailways.

In the brave new world of intercity bus deregulation, its proponents predicted a decade ago, quality of service would improve, prices would come down, motorcoach production would increase and there would be plenty of money to be made for the hard-working.

Although the hearing was billed as a wide-ranging look at the state of U.S. motorcoach service, the biggest concern of Exon and his committee staff is to what extent recent actions taken by Greyhound accurately represent the problems of the industry. Those actions were also on the lips of virtually every speaker during the hearing.



According to the New York State Intercity Bus Support Program, there has been no year in which the industry has turned a profit in the Empire State.

"Until recently, the traveling public could view the intercity bus system as a unitary enterprise because carriers cooperated in providing economical and efficient service to the traveling public. Today that is no longer the case," charged Harry Blount, president of Concord Coach Lines, a regional motorcoach operator based in Concord, MA.

"Today the industry is fragmented because the dominant carrier, Greyhound Lines, refuses to cooperate fully with other regular-route operators in providing economical and efficient joint-line service." Blount was also testifying on behalf of the American Bus Association.

He and other witnesses at the hearing asserted that Greyhound shirks cooperation by charging other carriers exorbitant docking fees at the company's terminals. In addition, it has reversed a longstanding policy of accepting the passengers of other operators, a practice known in the industry as interlining, unless they pay the highest fare for a leg of their journey they wish to make on a Greyhound bus.

In addition, both industry and government officials worried at the hearing about another of Greyhound's recent decisions, not to participate in the *Russell Guide*, which has served as a central clearinghouse of fare, schedule and route information in the industry for decades. Instead, Greyhound will disseminate fare and route information via its own computerized passenger information system, which it plans to introduce sometime later this year.

Schmieder replies

Greyhound's CEO, Frank Schmieder, replied that his company's actions are the desperate attempts of a carrier trying to survive. Before the Greyhound bankruptcy in 1990, he said, "both Greyhound and the industry were caught in a doom loop. We had to cut costs just to survive."

Indeed, government and Greyhound alike pointed out that the company finally turned a profit last year, the first since it emerged from Chapter 11 a year-and-a-half ago. According to the chairman of the Interstate Commerce Commission (ICC), Gail McDonald, the company's financial position "still remains tenuous."

***Frank Schmieder:* 'We had to cut costs just to survive.'**

Schmieder also pointed out that while his competitors complain about the Greyhound decisions that adversely affect their business, they neglect to mention the decisions that have benefited their business, such as Greyhound's exit from the charter business. "That was a $92 million a year business, and it was mainly picked up by competitors," he said.

McDonald said the ICC received

250 complaints from intercity bus passengers in FY 1992. Of those, roughly 55 percent were complaints about Greyhound service.

To address those and other complaints, McDonald announced that her commission had begun a study of the industry. "The commission has determined that we should move beyond a case-by-case response to complaints and develop a comprehensive overview of the current state of the intercity bus industry," she said. "A key focus of the study will be the availability and adequacy of service, particularly in rural areas."

These disputes come at a time when intercity service has declined, substantially so since 1989 and precipitously since bus deregulation began in 1983. According to a study conducted last year by the General Accounting Office, an auditing agency of Congress, only about half the number of communities in the nation are now served by the intercity bus industry that were in 1982 before deregulation.

That study further pointed out that both the financial performance and the marketshare of the industry have steadily eroded during the past decade. Unfortunately, the GAO report pointed out, that has effectively closed off access to intercity travel for perhaps millions of low-income and disabled Americans. GAO estimated that 46 percent of intercity motorcoach passengers are those in households with incomes of less than $15.000 per year, roughly double the proportion they represent in the general population (24 percent).

Pena concerned

Secretary of Transportation Federico Pena echoed these concerns at the hearing through a statement issued by his department's deputy assistant secretary for policy, Joseph Canny. "The department believes that it is important to maintain and encourage a safe, efficient and connected national intercity network including all modes of transportation," Canny said.

However, both Canny and Pena are now concerned that the competitive climate brought about by Greyhound's acquisition of Trailways and by its previously mentioned treatment of smaller carriers has seriously undermined the health of the industry, which could jeopardize the national transportation network as a whole.

To that end, a provision was contained in Section 18(i) of the Intermodal Surface Transportation Efficiency Act (ISTEA) to subsidize intercity bus service where states saw the need. Regulations implementing that provision were finalized four months ago.

Yet New York State Deputy Assistant Commissioner for Transit Elliott Sander calls the program "too little and too late" for most states to maintain or restore their intercity bus service. Sander based his comments on his state's program of subsidizing some intercity service, considered by many federal and state officials to be a model for spending ISTEA Section 18(i) funds. New York "raises the break-even point" for operators, he added.

FEDERAL SUBSIDIES PER PASSENGER GRAPH

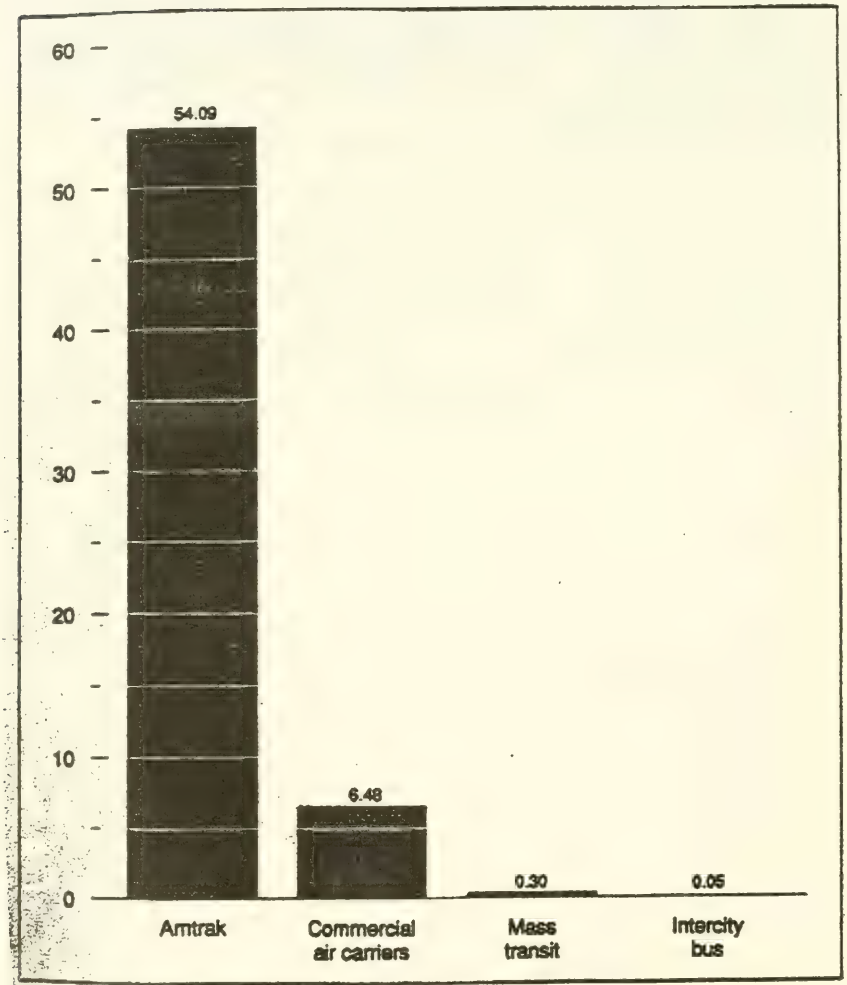
Mr. DeLay. How is this any different than Amtrak contracting with a charter airline to run air service in the Northeast Corridor to compete with the existing air shuttles and to feed Amtrak trains at the main connection points?

The Nathan Report's analysis of DOT data indicates that over the last 30 years, Amtrak's subsidy per passenger was $54.09 in 1991 dollars; the bus subsidy over that period—its partial exemption from the Federal fuel tax—was five cents per passenger. Is this a level playing field?

[The illustrative graph from the Nathan Report follows:]

Figure 3. Total Federal Subsidies Per Passenger Trip, Net of User Fees, to Passenger Transportation Systems and Modes, 1960-1991

(1991 Dollars)



Source: Nathan Associates Inc. from Appendix Table A-2.

This analogy is flawed. Our Amtrak Thruway arrangements cover areas where rail service is physically impractical or demand is too light to justify a train. They all cover the cost of their operation and reduce our need for federal subsidy. None of these conditions apply in the Northeast Corridor. The analogy also implies that our target is intercity bus passengers. As we have indicated earlier, the primary users of Amtrak Thruway services are usually automobile or airplane users (depending on the length of the connecting train trip).

Mr. DELAY. In California Amtrak is now operating on a contract basis approximately 60 inter-city bus schedules per day, making it one of the largest bus companies in the State.

Most of this service competes with existing private sector service.

What justification is there for spending Federal rail dollars in this manner?

[The information follows:]

We have no statistics on Greyhound or other bus operators in California so we cannot comment of Greyhound's assertion that Amtrak is one of the largest bus operators in the state of California.

The feeder bus service in California is operated at the behest of the state of California. This service is funded by the state of California. No federal funds are involved. The routes and points served are those chosen by the state of California. The state's extensive feeder bus network provides service to all regions of California and adds substantial incremental ridership and revenues to the 403(b) train routes. On several routes it serves as a traffic building precursor to eventual rail service. Almost all public transit advocates favor a coordinated intermodal network of the kind that California has established.

While Greyhound operates schedules in these markets, the service is not equivalent. Greyhound schedules do not serve the rail station, schedules are not coordinated with rail schedules and connections are not guaranteed. In scheduling their internal bus-to-bus connections and schedules Greyhound has found that connections to the train are often precluded. This is why California has chosen to charter motorcoach carriers who can meet their requirements better.

Mr. DELAY. The cover sheet from the 1991 California bid package indicates that this is a Federal contract to be processed by the Amtrak Materials Management Department in Philadelphia.

Assuming that the State paid for the actual bus operation under this contract, what funds were used to pay for: Amtrak telephone information regarding the bus service; marketing of the service through Amtrak's schedule publications and mass media; ticket selling personnel; baggage handling service at Amtrak Stations; construction and maintenance of lots, loading docks, or other facilities at Amtrak stations used by the bus service; bust ticket accounting functions at Amtrak; administration of the bus contracts; and management activities associated with the bus program?

[The information follows:]

California funds all of the direct costs involved in its feeder bus operation. Included in these direct costs are some of the items listed in the question such as reimbursement of a management position that oversees bus contracts, coordinates between Amtrak and the motorcoach companies and oversees day-to-day operations. California itself, through its bus manager, handles many of the ancillary functions necessary to operate the bus network (negotiating stop locations, signage, etc.). Amtrak shows very little of California bus network in its timetable or advertising, relying instead on the state's timetable (attached) and advertising.

Those direct costs (ticket agents, stations, etc.) shared equally between state 403(b) trains and buses are billed to California as part of the 403(b) train's costs.

Overhead costs (computer reservations) shared by all services are covered by a 10 percent overhead charge for state 403(b) services. Since the major portion of this overhead charge is based on passenger volume additional bus routes and feeder bus passengers riding 403(b) trains means higher 403(b) overhead charges to California.

Mr. DeLay. Greyhound has indicated that its bus schedules in California that are competitive with Amtrak bus service have declined by up to 50 percent over the last 10 years despite the booming California population. Looking at it from the standpoint of all modes, does it really make sense to decimate an unsubsidized bus service with the Amtrak subsidized bus service?

Didn't a recent Amtrak passenger survey indicate that 37 percent of Amtrak passengers had family incomes of under $25,000, aren't these generally considered to be bus passengers?

[The information follows:]

The decline of the intercity bus network has not been limited solely to California. Several factors have affected this decline. These are:

1. Loss of long-distance overhead traffic due to discount air fares by the major air carriers. (While Amtrak has survived by selling the train experience, Greyhound has traditionally only competed based on price);
2. Lost traffic between major intermediate city pairs, 300 mile trip distance, due to the growth of discount air carriers such as Southwest Airlines;
3. Decline in Greyhound service levels due to the strike, leverage buyout;
4. Decline in rural populations.

The decline of the Greyhound network in California started with the growth of low fare Pacific Southwest Airlines (PSA) in the 1960's. In some respects California's feeder bus network grew to replace the local routes and frequencies lost as Greyhound's network was reduced.

Travel industry statistics reveal that low income intercity travelers are not necessarily bus passengers. According to U.S. Travel Data Center survey results, the automobile is the mode of choice for intercity travel for this income segment, followed by the airplane. There are, in fact, four times as many air trips as bus trips made by travelers with household incomes under $20,000. For the low income Amtrak travelers the choice is not between rail and bus but between rail and auto or plane.

The low income bus and rail markets are distinctly different market segments. According to US DOT'S National Transportation Statistics, the trip length of the average intercity bus traveler is less than half that of the average Amtrak rider which makes bus passengers more analogous to Amtrak's short distance segment. The short distance Amtrak passenger has a significantly higher household income than our long distance traveler. It is, in fact, 37 percent of Amtrak's long distance passengers who have an average income level under $30,000.

SMOKING POLICY

Mr. Carr. Effective May 2, 1993, Amtrak eliminated smoking on trains with travel times of 4.5 hours or less and further restricted smoking on other trains.

Why did Amtrak believe it necessary to make such changes?

[The information follows:]

Amtrak changed its policy with respect to smoking in response to concerns by employees and passengers about the impacts of passive smoking. Internal studies indicated that cars which offered smoking, particularly lounge cars, had high levels of noxious gases. The December 1992 EPA Study of Effects of Passive Smoking: Lung Cancer and Other Disorders heightened employee requests to change our former policy. In addition, non-smoking passengers frequently complained that our old smoking policy deprived them of the use of the lounge cars, one of the most attractive features of our trains. On short-distance trains with high load factors there were never enough smokers to fill even one smoking coach. As a result smoking passengers were forced to sit in a very smoky car or stand. Amtrak does not have enough cars to operate a car exclusively for smoking passengers during peak periods.

Mr. Carr. Approximately what percentage of Amtrak passengers are smokers, and how is that different between short distance, long distance, and northeast corridor trains?

[The information follows:]

Occasionally we have added questions about smoking on our surveys of our passengers' demographics, travel behaviors, and impressions of our service. The last time we asked this question, in Fall 1988, the percentage of surveyed passengers who identified themselves as smokers, were as follows:

	Percent
Short distance trains	25
Long distance trains	24
NEC	22
Total	23

These differences among train types are not statistically significant.

Mr. CARR. Did Amtrak conduct any surveys of its passengers to determine the extent to which passengers desired these changes?

[The information follows:]

In our Passenger Assessment Survey conducted in Fall 1988, we asked passengers if they were satisfied with the smoking policy in place at the time. The total number of passengers who were unhappy with the policy was 21 percent. Roughly 4 out of 5 of the unsatisfied passengers were nonsmokers.

Mr. CARR. How many formal complaints were received over the past year from Amtrak passengers regarding Amtrak's existing smoking policy, and how does that compare to complaints received on other subjects?

[The information follows:]

In fiscal year 1992 Amtrak received 611 comments about smoking. Sixty-four percent of the comments were from unsatisfied non-smokers. Out of 23 complaint categories, comments on Amtrak's smoking policy placed 13th.

Mr. CARR. Has Amtrak estimated the number of passengers who may discontinue rail travel based on the new smoking policy?

[The information follows:]

Amtrak's Fall 1982 Passenger Assessment survey contained a question that identified the maximum number of passengers who would discontinue rail travel. That survey showed that 18 percent of Amtrak's passengers smoked cigarettes and preferred smoking on the train (while 13 percent smoked, but said that they did not mind not smoking). We cannot reliably identify how many of these smokers we will lose, but the number would also be offset by the number of nonsmokers we might gain or retain.

Mr. CARR. I am told that a 1988 survey of nonsmoking passengers indicated that approximately 88 percent were satisfied with the smoking policies then in effect. Is that accurate? What were the results of any surveys conducted since that time?

[The information follows:]

The results of the Fall 1988 Passenger Assessment Survey showed that 79 percent of nonsmoking passengers were satisfied with the smoking policy in effect at the time.

Although no specific survey questions have addressed smoking issues since 1988, a recent survey conducted after the new policy went into effect provided an opportunity for passenger feedback. Although smoking was not specifically addressed in the line of questioning, Metroliner Service passengers were given the chance to volunteer comments about any aspect of their trip. A negligible number made any reference at all to the new smoking regulations, and those commenting were about equally divided in support and criticism.

Mr. CARR. Up until the policy change, were all smoking cars positioned at the end of trains so that nonsmoking passengers were not required to walk through them on their way to dining or lounge cars?

[The information follows:]

Amtrak's policy is to position smoking cars in the consist so that non-smoking passengers do not have to walk through them. On trains which split during the middle of their journey to go to two or more destinations, this is sometimes physically impossible. In selecting which car is the smoking car we endeavor to place it at a point which will minimize the exposure to smoke by non-smokers. I should note that you refer to passage through a smoking car by non-smokers en route to the dining or lounge car. As noted in question 1 prior to May 2 the lounge car was the only smoking car for coach passengers on long-haul trains and this was one of the reasons for the change in policy.

Mr. CARR. Are nonsmoking passengers generally able to obtain a seat on a nonsmoking car if they choose to do so?

[The information follows:]

Under the previous policy non-smoking passengers were often unable to get a seat in a non-smoking car on trains with high load factors. As noted in question 1, we almost never can fill an entire coach with smokers. As a result, on a full train the only empty seats available were in a smoking car.

Mr. CARR. To what extent are trains different from aircraft cabins with respect to the rate of fresh air ventilation?

[The information follows:]

Fresh air in aircraft cabins must be pressurized before feeding the air into the cabins. Aircrafts must also generate their own air. Trains on the other hand are non-pressurized cabins. Our ventilation design exceeds ASHRAE (society that sets standards for refrigeration, heating and air conditioning) minimum standards of 10–15 CFM per passenger. All Amtrak's equipment purchased since 1971 introduces approximately 26 CFM per passenger. Amtrak's ventilation systems introduce more fresh air than what is exhausted, creating a positive pressurized cabin to keep drafts, dust and pollen from coming into the car. Aircrafts have 15 CFM per passenger minimum to keep CO^2 levels acceptable. This factor would be higher in smoking areas.

Mr. CARR. How often do Amtrak's ventilation systems replace the air in smoking cars or lounge cars with entirely fresh air?

[The information follows:]

Fresh air is changed out entirely about every 20 minutes.

Mr. CARR. Would further technical improvements in ventilation and filtration, and perhaps further use of physical dividers within cars, have been able to meet the needs of Amtrak's passengers without a major change in smoking policy?

[The information follows:]

In the long term it would be possible to redesign the ventilation systems of Amtrak cars to isolate a smoking section. However, all of Amtrak's equipment is presently designed so that the entire car is one compartment for ventilation systems. As a result a partition does not prevent the diffusion of smoke through an entire car. On our newer equipment with dual air conditioning systems this provides a measure of redundancy so that no portion of the car is every totally without cooling in case of single compressor failure. We are presently exploring with our car builders the cost and feasibility of providing a separate ventilation system in the lower level of certain Superliner cars. Such a feature could also conceivably be incorporated in our new Viewliner coaches when they are built. Any such program would take years to accomplish and Amtrak is not funded for the multi-million dollar investment that would be required to make these modifications. Any such improvements would come at the expense of our already extremely limited equipment acquisition and overhaul programs. We will continue to evaluate our options for such ventilation systems.

THURSDAY, APRIL 29, 1993.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

WITNESSES

ROSE A. McMURRAY, ACTING ADMINISTRATOR, RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

ALAN ROBERTS, ASSOCIATE ADMINISTRATOR FOR HAZARDOUS MATERIALS SAFETY

GEORGE TENLEY, ASSOCIATE ADMINISTRTOR FOR PIPELINE SAFETY

RICHARD JOHN, ACTING ASSOCIATE ADMINISTRATOR FOR RESEARCH, TECHNOLOGY AND ANALYSIS

JUDITH KALETA, CHIEF COUNSEL

OPENING REMARKS

Mr. CARR. The subcommittee will come to order.

Today, we will receive testimony on the fiscal year 1994 budget request for the Research and Special Programs Administration, otherwise known as RSPA.

RSPA has diverse but very important responsibilities, which include coordinating the research and development activities of the Department of Transportation; maintaining and improving safety in pipeline and hazardous materials transportation; and working with State and local governments to provide effective response to the environmental and safety threats posed by pipeline spills and hazardous materials.

RSPA also administers other important activities, which include managing the Volpe National Transportation Systems Center, responding to multi-modal transportation emergencies, and collecting comprehensive aviation statistics.

Our principal witness today is the Acting Administrator, Ms. Rose McMurray.

We are delighted to have you here.

We also have various Associate Administrators.

And, Ms. McMurray, would you please introduce your associates. We will put your statement in the record in its entirety and ask that you summarize it. Welcome to the subcommittee.

Ms. McMURRAY. Thank you very much, Mr. Chairman.

As Acting Administrator I am pleased to appear before you to discuss the Research and Special Programs Administration's budget for fiscal year 1994.

Congratulations to you and to Mr. Wolf on your new leadership positions with the subcommittee. This subcommittee has provided strong support for RSPA's programs over the year and the agency has benefited from the guidance you have provided.

INTRODUCTIONS

I do have a brief statement to make, but before I begin, I would like to introduce my colleagues at the table whom I will ask to respond to your more technical questions.

On my left is Mr. Alan Roberts, the Associate Administrator for Hazardous Materials Safety. On the other side of him is Dr. Dick John, Acting Associate Administrator for Research, Technology, and Analysis. To my immediate right Mr. George Tenley, Associate Administrator for Pipeline Safety. And to his right, Judith Kaleta, our chief counsel.

OVERVIEW

Mr. Chairman, the President's fiscal year 1994 budget for the Research and Special Programs Administration will ask this subcommittee to approve $59.1 million, including $15 million in appropriations limitation.

This request includes a $9 million increase, $8.5 million of which is from user fees over the fiscal year 1993 enacted level. The largest part of the increase, $3.8 million, is requested for increased funding for emergency preparedness grants to States and Indian tribes. I am pleased to report that Secretary Pena will announce the first award under this program in the next few weeks.

Another major component of the requested increase is an additional $2.6 million to discharge new pipelines responsibilities under the Oil Pollution Act of 1990. These responsibilities, which entail spill prevention and response, have taken on new importance since the recent Colonial pipeline spill into Sugarland Run in suburban Virginia.

Mr. Chairman, in this era of fiscal austerity and reinventing government, I can assure you that we were very conservative in preparing this budget. In outlining our request, I hope to describe the return on investment that RSPA provides to taxpayers.

For many years, RSPA's hazardous materials and pipeline safety program have contributed to not only the safety but as well the environmental integrity of our transportation system. Despite greater volumes of products transported in the hazardous materials and pipelines industries, the level of safety has remained generally constant over the past several years.

In contrast, the range and technical complexity of RSPA's responsibilities have expanded significantly. This trend is expected to extend through fiscal year 1994 when the jurisdictions of RSPA's safety programs will include major previously unregulated segments of the hazardous materials and pipelines industries. These include food shippers and carriers, intrastate shippers and carriers of hazardous materials as well as previously unregulated hazardous liquid pipelines.

In addition to our safety responsibilities, we will focus our efforts during fiscal year 1994 on a heightened concern for environmental protection. Our budget proposal anticipates these developments.

As you know, Mr. Chairman, our agency is somewhat different within DOT because it has such a diversity of missions and purposes. In addition to our regulatory responsibilities in pipeline safety, hazardous materials and aviation, we are also the Secretary's research and development arm. To that end, in fiscal year 1994, RSPA will be a leader in very important transportation research.

Together with our sponsors, RSPA will continue to develop and evaluate advanced multi-modal transportation technologies at the Volpe National Transportation Systems Center. Looking toward the future, the Volpe Center will use expertise to facilitate defense conversion by applying the application of defense-developed technologies to transportation problems.

We expect the Clinton administration to place more importance on guiding R&D investments. Our agency chairs the DOT R&D Coordinating Council, and is working with the Secretary's staff to bring policy guidance to R&D expenditures in budget out years. We have a new request for $170,000 to support this R&D planning.

RSPA will also operate several other critical transportation programs, such as our University Transportation Research Program, our Office of Emergency Transportation as well as an Aviation Terrace Program, the latter being specially critical as the national commission to ensure a strong competitive airline industry begins its work.

We have also undertaken technology in support of expanding the Global Positioning System developed by the Department of Defense into the civil transportation community. We expect this work to accelerate in fiscal year 1994, and are requesting $275,000 for planning and development.

Mr. Chairman, while our fiscal year 1994 budget provides for continuity and new initiatives in these programs, it also reinforces the President's and Secretary Pena's emphasis on investment in the future.

RSPA is supportive of the Secretary's key themes which he outlined before this subcommittee on March 25th: strengthening the Transportation's role in supporting the economy. We agree that a growing economy requires a transportation system that can move people, goods and services quickly safely and efficiently. Transportation must be a means of encouraging our full economic potential and not be a constraint to growth.

In support of this theme, RSPA continues to take a leadership role harmonizing international rules for transporting hazardous materials. This work contributes to the $20 billion of favorable balance of trade this country enjoys in chemical exports.

One of the increases in our budget is for $140,000 to begin to translate the hazardous materials regulations into Spanish. This endeavor will not only improve safety among Spanish-speaking shippers and carriers in our country, but will also assist the Mexican government in developing its own hazardous materials regulations.

Another of our initiatives, the Airline Statistics Program, is directly supportive of economic growth. I am pleased to report that we are in the process of making some program improvements in processing data, and have actually reduced our request from the fiscal year 1993 enacted level.

Supporting public safety is another transportation objective of the Secretary's. Insuring and promoting the safety of our transportation systems is the primary responsibility of RSPA's hazardous materials and pipeline safety programs.

Our budget includes a total of $29.7 million for programs that directly enhance the safety of our transportation services. Of this amount, 12.8 million is for hazardous materials safety, which is a very small increment over our 1993 enacted level.

We are requesting funds to increase compliance support based on a 33 percent increase in the number of inspections we have performed between 1991 and 1993. The increased inspections are benefits realized from establishing three new hazardous materials field offices and our planning for a fourth.

RSPA is requesting $18.9 million for pipeline safety. This amount will enable us to begin addressing the numerous mandates of the Pipeline Safety Act of 1992, such as rulemakings pertaining to issues such as excess-flow valves, qualification of pipeline personnel and customer-owned service lines.

The pipeline safety request includes $7 million provided for grants to States that help leverage the Federal investment and, among other things, enable a more thorough national pipeline inspection program.

Strengthening the linkage between transportation and environmental policy, another of the Secretary's goals, is reflected in our fiscal year 1994 request. Transportation can have a significant impact on the environment, as we have recently experienced with the Colonial pipeline incident. RSPA strongly supports Secretary Pena's belief that sound planning investments and regulatory actions can support environmental improvements and help mitigate environmental damage.

As a result of the Colonial incident, RSPA is nearing completion of a pipeline safety program review to determine the adequacy of our current regulatory program, data analysis, compliance and public information in addressing environmental concerns.

We are also requiring pipeline operators to prepare emergency response plans for oil spills under the Oil Pollution Act of 1990. Our budget includes a request for $2.6 million from the Oil Spill Liability Trust Fund for this new RSPA program.

These spill response plans are designed to mitigate the environmental threat posed by oil pipelines, the resulting improved spill capability to lessen the reported 800 percent escalation in property damages and other costs reported by liquid pipeline operators in the past four years, as I had mentioned earlier.

RSPA supports Secretary Pena's policy of advancing U.S. technology and expertises by the effective use of technology to meet national objectives. Sound technical investments can promote long-term economic growth that will produce much-needed jobs. RSPA is in a leadership position in this area. Our Volpe Center is an important transportation resource that links the department to major universities which work in advanced transportation technologies.

Improving the use of the Federal work force. Mr. Chairman, one of the major management challenges facing us is to support the President's goal to reduce the size of the Federal Government by reducing both FTE and administrative costs.

RSPA's fiscal 1994 budget request for 857 FTE reflects a net reduction of four from the RSP account and two from the pipeline safety account. It also reflects a 325 reduction in administrative costs.

As we look to fiscal year 1994 and beyond, it would be most helpful to RSPA in addressing these reductions if the subcommittee would support, as it did last year, removal of the reprogramming restrictions on the agency. As we testified, many of the underlying reasons for the restrictions no longer apply and the important flexibility we need to manage would be helped by removing these reprogramming restrictions.

In summary, Mr. Chairman, RSPA's agenda for fiscal year 1994 includes an expanding and increasingly complex workload. In contrast, our budget request is conservative, consisting of a $9 million increase over current levels.

We believe RSPA continues to be a good investment for the American taxpayer. Its record has demonstrated that the payoff on investment is improved transportation safety, better protection for the environment, conservation of scarce transportation R&D funds, and effective research efforts that will yield multiple transportation dividends in the future.

I want to thank you, Mr. Chairman and Members of the subcommittee, for giving me the opportunity to elaborate the reasons for our request. Speaking for the senior management team before you here in RSPA, we feel strongly that this 1994 request is a responsible budget, and are prepared to answer your questions.

Thank you.

[The prepared statement of Rose McMurray follows:]

STATEMENT OF ROSE A. MCMURRAY, ACTING ADMINISTRATOR RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

April 29, 1993

OVERVIEW

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you to discuss the Research and Special Programs Administration's (RSPA) budget request for fiscal year (FY) 1994. RSPA is a good investment. It has consistently provided quality transportation safety and research programs for a relatively small amount of capital. The President's FY 1994 budget for RSPA asks this Subcommittee to approve a total program of $59.1 million.

This request includes a $9 million increase over the FY 1993 enacted level. Of the increase, $8.5 million is offset by user fees. The largest share of the increase, $3.8 million, is requested for emergency preparedness grants to States and Indian tribes. Secretary Peña plans to announce the first award under this new program within the next few weeks.

Another major component of the increase is an additional $2.6 million to discharge new pipeline responsibilities under the Oil Pollution Act of 1990 (OPA). These responsibilities, which entail spill prevention and response, have taken on new importance since the recent Colonial Pipeline spill into Sugarland Run in suburban Virginia.

For many years, RSPA's hazardous materials and pipeline safety programs have contributed to not only the safety, but also the environmental integrity of our transportation system. Despite larger volumes of product in transportation, the levels of safety in the pipeline and hazardous materials industries have improved.

Over the past few years, the range and technical complexity of RSPA's responsibilities have expanded significantly. This trend is expected to extend through FY 1994, when RSPA's programs will include food safety along with major previously unregulated segments of the hazardous materials and pipeline industries. In addition, our hazardous materials and pipeline safety focus will turn toward environmental protection. Our budget proposal anticipates and plans for addressing these developments.

RSPA's programs address a wide range of missions and purposes. In addition to our regulatory responsibilities, we are also the Secretary's Research and Development (R&D) arm. We expect this

Administration to place more importance on guiding R&D investments toward job creation and economic growth. RSPA chairs DOT's R&D Coordinating Council and is working closely with the Secretary's staff to bring policy guidance to R&D programs in the budget outyears. In this budget proposal, we have a new request for $170,000 to support R&D planning and management.

In FY 1994, RSPA will also manage several other important transportation programs. In concert with our sponsors, RSPA will continue to develop and evaluate advanced, multimodal transportation technologies at the Volpe National Transportation Systems Center. The Volpe Center will also facilitate defense conversion through the application of Defense technologies for transportation purposes.

Our University Transportation Research Program now includes 13 university transportation centers and six research institutes across the country. These programs are designed to attract talent to transportation professions, promote scientific investigation, and probe the transportation policy issues of the future.

RSPA's Office of Emergency Transportation will continue as the Secretary's notification and crisis management center for multimodal emergencies such as hurricanes, earthquakes and tornados. RSPA has requested $154,000 for upgrading DOT's inadequate communications facilities and for conducting expanded training exercises, particularly in responding to domestic crises and disasters.

RSPA will improve its collection and release of comprehensive aviation statistics, especially critical now as the National Commission to Ensure a Strong Competitive Airline Industry begins its work. In this area, we expect to achieve some economies and have a small reduction in information processing.

RSPA has undertaken technology initiatives in support of expanding the Global Positioning System, developed by the Department of Defense, into the civil transportation community. We expect this work to accelerate in FY 1994 and are requesting a total of $275,000 for planning and development.

While RSPA's FY 1994 budget provides for continuity and new initiatives in these programs, it also reinforces the Administration's emphasis on investment for the future. Outlined below are the key themes which RSPA used to formulate its budget proposal.

STRENGTHENING TRANSPORTATION'S ROLE IN SUPPORTING THE ECONOMY

A growing economy requires a transportation system that can move people, goods, and services quickly, safely and efficiently. Transportation must be a means of encouraging our full economic potential and not be a constraint to growth.

In support of this theme, RSPA continues to take a leadership role harmonizing international rules for transporting hazardous materials. This work contributes to the $20 billion favorable balance of trade this country enjoys in chemical products.

RSPA has requested $140,000 to begin translating the Hazardous Materials Regulations into Spanish. This endeavor will improve safety among Spanish speaking drivers in our own country. It will contribute to safety improvements with our Spanish speaking trade partners. Finally, it will assist the Mexican government in developing its own hazardous materials regulations.

SUPPORTING PUBLIC SAFETY

Ensuring and promoting the safety of our transportation system is the primary responsibility of RSPA's hazardous materials and pipeline safety programs. This responsibility includes compliance, inspection and enforcement. The responsibility also includes strategies to promote compliance such as support of cooperative programs which provide State and local government with an appreciation of the need for uniformity in enforcement efforts.

RSPA's budget includes a total of $29.7 million for programs that directly enhance the safety of our transportation services. Of this amount, $12.8 million is for hazardous materials safety. This is a $176,000 increase over FY 1993. The increment is for compliance support based on a 33 percent increase in the number of inspections between 1991 and 1993, benefits realized from the recent establishment of hazardous materials field offices.

RSPA is requesting $18.9 million, from two financing sources, for pipeline safety. This amount will enable RSPA to begin addressing the numerous mandates of the Pipeline Safety Act of 1992, such as rulemakings pertaining to excess flow valves, qualification of pipeline personnel, and customer-owned service lines.

The pipeline safety request includes $7 million provided for grants to States for Natural Gas and Hazardous Liquid Pipeline Safety programs. These grants to the States leverage the Federal investment and, among other things, enable a more thorough national pipeline inspection program.

STRENGTHENING THE LINKAGE BETWEEN TRANSPORTATION AND ENVIRONMENTAL POLICY

Transportation has a significant impact on the environment as recently evidenced by the Colonial Pipeline incident. RSPA believes that sound planning, investments, and regulatory actions can support environmental improvements and mitigate environmental damages. For example, as a result of the Colonial Pipeline incident, RSPA has undertaken, and is nearing the completion of, a pipeline safety program review to determine the adequacy of our current regulatory program, data analysis, compliance, and public information in addressing environmental concerns.

RSPA's budget for pipeline safety includes $2.6 million from the Oil Spill Liability Trust Fund for a new initiative to review and approve spill response plans for oil pipeline operators. These spill response plans are designed to mitigate the environmental threat posed by oil pipelines. The resulting improved spill capability should lessen the reported 800 percent escalation in property damages and other costs reported by liquid pipeline operators in the past four years.

ADVANCING U.S. TRANSPORTATION TECHNOLOGY AND EXPERTISE

Sound technological investments promote the long term economic growth that produces much needed jobs. RSPA is in a leadership position in this area. RSPA's Volpe National Transportation Systems Center is an important resource in the application of advanced transportation technologies.

RSPA is DOT's focal point for the application of global positioning system technology to the civilian sector. We are requesting an additional $175,000 for radionavigation planning and policy analysis to speed up the uses of this technology in transportation.

RSPA is requesting funds for completing the R&D oversight documents required by the Intermodal Surface Transportation Efficiency Act (ISTEA) and expanding them to include: background information on high-payoff new technologies needing attention; support profiles for key technologies for three years into the future; and projections of technology opportunities for up to ten years.

IMPROVING THE USE OF THE FEDERAL WORKFORCE

One of our major management aims is to support the President's goal of reducing the size of the Federal Government by reducing both full time equivalent (FTE) allocations and administrative costs. RSPA's FY 1994 budget request for 857 FTE reflects a net reduction of 4 FTE from the Research and Special Programs (RSP) account and 2 FTE from the Pipeline Safety account. It also reflects a $325,000 reduction in administrative costs from the RSP account.

SUMMARY

In summary, RSPA's agenda for FY 1994 includes an expanding and increasingly complex workload. In contrast, the RSPA budget request is conservative, consisting of a $9 million increase over the FY 1993 enacted level. RSPA continues to be a good investment. RSPA's record has demonstrated that the payoff on investment includes improved transportation safety, better protection of the environment, conservation of scarce transportation R&D funds and an effective research effort that will yield multiple transportation dividends in the future.

RESEARCH AND DEVELOPMENT COORDINATION

Mr. CARR. Thank you.

The department's research and development programs have been characterized in ISTEA as being fragmented and dispersed. ISTEA also pointed toward a need for Federal vision on how surface transportation programs in the 21st Century will differ from present systems and how they will interface with each other.

ISTEA suggested a need for an integrated framework for transportation research and development activities as well. I understand that RSPA is attempting to address these issues.

Can you tell us about RSPA's current mechanisms for coordinating research and development activities with various modes within the department, and assess how well those mechanisms are performing.

Ms. MCMURRAY. As you may know, RSPA chairs the department's R&D Coordinating Council. That forum was created in an effort to bring together all of the research and development interests of the department, basically to ensure that research carried out by departmental elements is not duplicative or redundant, or if it is, that it is a planned redundancy and not caused by failure to plan adequately.

We have met with the Secretary, who has given us a call to arms to be more aggressive in the counsel and advice we provide him about technology initiatives, particularly those related to President Clinton's science and technology initiative.

I can assure you that the Secretary is anxious to seize the department's R&D agenda. He has expressed some concerns about the direction of R&D and wants to assure you that he is actively involved in the policy underpinnings that frame the department's R&D planning.

The R&D budget for the Department is now over $500 million, and the key oversight body at this time is the R&D Coordinating Council. We prepare documents for the Secretary and his staff, particularly the budget office and the Office of the Secretary, and provide counsel and assistance to them regarding the direction of R&D in the department.

R&D COORDINATING COUNCIL

Mr. CARR. The council has statutory authority?

Ms. MCMURRAY. No, it doesn't. It is purely advisory, and again, the Secretary has expressed disappointment that the council does not have more of a mandatory role in the direction of R&D. He is committed, as I said, to identifying the proper mechanisms within the department to provide policy overlay to the directions of R&D, and I can assure you he is very interested in this subject.

Mr. CARR. Well, so are we. Does the coordinating council have any permanent staff?

Ms. MCMURRAY. The RSPA Office of Research and Technology is primary staff to the R&D council. We call meetings. The RSPA Administrator chairs the meetings. We produce minutes and documentation. We prepare analyses for the Secretary's staff and for the Secretary.

Secretary Peña attended one of our recent R&D Coordinating Council meetings, during which he expressed his interests in activating the department's R&D agenda.

Mr. CARR. Does the coordinating council produce priority lists of research and development throughout the department?

Ms. MCMURRAY. What the council does is look at the Secretary's R&D priorities and then array the various R&D projects of the departmental elements against those priorities. The budget office and the Secretary's staff then examine those projects against those priorities, and again, as part of the budget process, provide guidance and counsel back through the modal administrators to the R&D program managers.

R&D PRIORITIES

Mr. CARR. Are you prepared to list for us today what the Secretary's R&D priorities are?

Ms. MCMURRAY. The Secretary has given us a couple of suggestions as to where he is leading. He is still looking at and dealing with the White House concerning the Vice President's technology initiatives.

He is very interested in the issue of defense conversion, looking at the multitude of defense-developed technologies and their applicability to civil transportation purposes.

We are, in fact, having on his behalf a symposium at the Volpe Center in which the Secretary will be speaking to members of industry and academia about expanding the civil transportation uses of defense technology.

Yesterday, he announced his policy on high-speed ground transportation and high-speed rail transportation, and has committed the department to examining that technology.

He has also asserted his interests in IVHS and a continuation of support for that program.

He is also very concerned about the incidence of the United States developing technologies which subsequently become exploited and developed in other countries. He rode the tilt train, and was very concerned to discover that that technology had in fact been developed in the United States but had been marketed and further developed outside the United States.

He also is interested in developing more of a partnership with academia and the private sector and stimulatory R&D, in developing public-private partnerships with them, financial and otherwise, in spurring the private sector to involve themselves and devote more of their resources to research and development that have transportation applications.

He, as well, is looking at measures by which the payoffs for R&D can be better established, and has asked the council if they might ruminate on that subject and offer to him ways to ensure that the department and this country is getting the biggest "bang for the buck" in its R&D efforts.

Mr. CARR. Well, those all sound like good ideas, but they also sound like a hodgepodge. Some of these ideas, such as defense conversion partnerships, are more process oriented. High-speed rail and IVHS have some research and development elements and exploited technologies have somewhat of a technical aspect to them.

I was hoping you would have something more definitive on what the priorities of the Secretary really are or tell us that he hasn't formulated them. I could give you my list, too, of my interests. You could match his interests with mine and we will see which gets funded.

Ms. McMurray. He certainly asked for quite a bit of counsel from the private sector as well as his R&D advisers in the department, and he is remaining open-minded to other R&D ideas and other technologies that the department might pursue.

It is fairly early, and I would expect much more from him and perhaps more detail regarding how he is looking at department R&D across the board.

Mr. John. Rose, may I add a few words?

Mr. Carr. Dr. John.

Mr. John. We have talked to the Secretary. I would first like to give a few words of background and then get quite specific.

In the past, R&D priorities in the department have been set by mode; each mode has its own R&D program, each mode essentially has its own R&D advisory council.

We have tried, through the R&D council, to look at cross-cutting issues such as human factors and transportation, radionavigation and IVHS, to see if people in the different modes can gain from sharing knowledge with each other. The process for the most part, has been reactive, and the R&D priorities of the individual modes would reflect the R&D priorities of the Secretary only insofar as the administrator reflected what the Secretary wanted.

Now, we are trying to do something that has been missing. It has been very difficult for the Department to really look at cross-cutting R&D. So we are trying to have R&D coordinated from the top of the Department, so that it is more proactive and so specific areas that we have been looking at reflect the President's and the Vice President's technology policy. We are for example, very much concerned about the next generation motor vehicle, and the role the Department might play in this area.

In the case of the next generation motor vehicle, the Secretary has indicated his desire to participate in a leadership role and to help to steer the program so it responds to the public interest.

The next area of concern pertains to the infrastructure. The questions we are asking concern the rehabilitation and maintenance of infrastructure. Are there new materials and processes that we can use to rehabilitate and maintain the infrastructure? Are there any measurement techniques and technologies that might have come out of the defense industry that we could use to assess the infrastructure?

Next, as in the case of IVHS, one of the major new technology thrusts in transportation is the marriage of information, computer, and communication technologies, with transportation systems. For example, we have the air traffic system and IVHS. There is increasing concern about vessel traffic management in ports and harbors. And finally, in the case of high-speed trains there is concern with the mix of high-speed trains and other traffic.

But for me, one of the most important areas is the conflict, if you will, between the environment and transportation. This provides many opportunities, but we as a department must take the lead and be sure we are getting measurements, finding ways to make measurements, and truly understand what is the state of the environment and what is the state of the transportation system?

And since decisions will have to be made by the public, how do we get the public to be more transportation literate, not just the Federal Government and State and local governments, but the public. That is the general direction of the discussions we have been having with the Secretary.

In addition, as called for in ISTEA, we are in the final round of preparing a plan for the Congress on surface transportation R&D. Trying to integrate the different surface transportation activities is problematic because much of the Departmental R&D is modally focused. Each mode has its own constituency, and there has always been the difficulty as to how does one fund programs or even steer programs which cut across the modes?

Mr. CARR. Well, that is a very helpful answer. Thank you.

Mr. JOHN. Thank you.

R&D COORDINATION

Mr. CARR. This subcommittee is very interested in R&D. This Member of Congress feels that we have neglected R&D for a long time in the transportation area. It is welcome that you are making efforts at coordinating the R&D of the department.

Is it contemplated that the various modal administrations would submit R&D proposals to the coordinating council for programmatic and financial review?

Mr. JOHN. Next week——

Mr. CARR. Before the department submits to OMB?

Mr. JOHN. Yes. In fact, next week we are having a meeting of the R&D council which will look at the 1995 budget. And the various comments I have just given you reflect what we are going to put on the agenda. We will pursue issues such as How does the department approach the Congress on cross cutting issues?

Now, the other issue you had mentioned in responding to Rose was the question about conversion. Let me just say a few words about our plans.

One of the things we have found is that the defense industry and the national labs have lots of technology and they are asking, "What are the needs?" So we are planning to have a series of workshops at the Volpe Center, eventually leading to a symposium. We would indicate what we see as transportation needs, so rather than the technology coming first, we would put the needs first; and we would bring together people from the national labs and have them suggest the capabilities they have that might respond to these needs, and the same from the defense industry.

We have received a very, very positive response to this approach. In the conversion process, people are asking: What is the problem? What are the needs? Then, they can better determine how they might respond. We were very concerned that the cart may be getting before the horse, so you have the answers but don't know what the problem is.

IVHS TECHNOLOGY

Mr. CARR. Well, you are hitting home-runs so far. One of the problems that this subcommittee sees is that we have a lot of technology in search of a problem instead of the other way around.

Mr. JOHN. What we sensed in talking to the Secretary is that this is the first Secretary who has seriously looked at R&D early in his term in office. Generally, Secretaries look at R&D in the last two weeks and the next Secretary will be certain that what the previous Secretary has done is no good. We are trying to be proactive and have the department participate in defining national transportation needs.

Ms. MCMURRAY. I think another example of the Secretary's interest is the next generation car. Secretary Peña is meeting with Dr. Gibbons of the White House Office of Science and Technology Policy about asserting the department's role in developing the next generation car.

Over the years, there had not been an active involvement by the department, and the Secretary felt that it was a heinous situation that DOT was not in the forefront of assisting in developing that technology and stimulating that technology. So he will again be bringing the department back into that initiative.

Mr. CARR. Well, of course, we welcome that. It would seem to me that the department's role in IVHS, given that IVHS is really emanating from the private sector, is to be involved from a knowledge point of view so that government knows what the private sector knows, and where there are technological issues which need a referee. The government can play in that arena.

I would not see it very useful to have a huge government R&D effort in IVHS. You are nodding in agreement.

Mr. JOHN. Yes, sir. The Volpe Center was asked by the department to get together four or five wise persons from the outside to look at the IVHS program. We had Professor Branscomb from Harvard and Jacoues Gansler, who has worked in the past on major defense acquisitions and some others.

The bottom line of their assessment was that the government's role in IVHS was to facilitate and enable the IVHS program as a process more than as a product. And the government's is, to indeed, generate knowledge and look out for the public interest, but not one of creating a massive federal technology development program.

One of the purposes of our conference on May 10th, relates to the federal role we are talking about now in which the government is trying to stimulate the private sector. In IVHS, the government is not the principal customer, the public is the main customer, so therefore all the government should do is to steer, facilitate, and enable.

Mr. CARR. Right. I think the government through IVHS America and others has been exerting a fairly positive role.

Mr. JOHN. Exactly.

Mr. CARR. Again, I would think then that the IVHS program is more a process activity than a technology R&D activity.

Mr. JOHN. Precisely correct. That is indeed what our sense is and the sense of the outside team. And when one looks at the car of the future or the clean car, that doesn't run on petroleum, the government's role is again one of facilitating a process.

Mr. CARR. Right, but the government can identify technical barriers and perhaps through a more active way, seek help industry prioritize and work together, and perhaps even contribute funding.

Mr. JOHN. Yes.

TECHNICAL BARRIERS TO HIGH SPEED RAIL

Mr. CARR. In my previous response to Ms. McMurray, I indicated that IVHS was more technical but that is a process issue, too.

What are the technical barriers to the development of high-speed rail?

Mr. JOHN. Regarding high-speed rail, I would say that in terms of technical barriers, the problem in high-speed rail isn't basically a technical problem. It is much more an economic problem and an institutional problem of acquiring the rights-of-way.

Since high-speed rail systems are running all over the world, I don't see the barriers to high-speed rail as a technical problem. There may be some engineering application problems in having foreign technology run on tracks that meet our standards, and there may be some safety problems.

Mr. CARR. Let me throw something out to you. There are many economic problems with high-speed rail. This subcommittee has been in the forefront of documenting them, while there are a number of committees of Congress which have tended toward the romance side of high-speed rail.

This subcommittee has tried to be the subcommittee that gives sobering economic assessments of what high-speed rail is about. Of course, good friends on the authorizing committees don't have to deal with real dollars. We do, so we tend to have an institutional bias in that direction.

But it has been the testimony before this subcommittee that there is a technical problem, one that the proponents of high-speed rail tend to assume away. It has to do with the relationship of weight and power, and velocity and acceleration. Those are technical problems.

It appears from the testimony before this subcommittee that any major effort at high-speed rail in this country is now limited to track that can be electrified to get the velocity and acceleration and weight in the proper proportions.

Mr. JOHN. Yes.

Mr. CARR. The threshold judgment is that there is very little track that can be electrified in this country in that manner.

Mr. JOHN. There aren't sufficient high-density corridors to justify the economics of electrification, except possibly what we are doing from New Haven up to Boston.

HIGH-SPEED RAIL—POWER UNIT TECHNOLOGY

Mr. CARR. The second question is, what kind of acceleration, velocity and weight reduction can you get on a power unit that is not electric?

Amtrak has gone out twice with RFPs to try to get the private sector to come forward with a development project in this area and twice has failed. The submissions did not meet the mark. They are taking a baby step now, with the support of this subcommittee, of putting a more modern up-to-date turbine engine in an old French turbine train, and that is probably a useful exercise.

But it does still beg the question, where is the technology? Where is the power unit that is going to allow high-speed, passenger rail outside the Northeast corridor? Is that an area that you have an interest in pursuing as a research and development priority?

Mr. JOHN. Indeed, I was thinking of that as an applications engineering problem rather than an R&D problem, but I could be incorrect.

I would like to respond to that for the record. I probably don't have enough background in that particular subject.

[The information follows:]

While currently available electric power units have higher power-to-weight ratios than comparable diesel electric locomotives, we do not believe that there is a fundamental problem in the development of nonelectric powered locomotives capable of powering trains operating at speeds of 150 mph. The current lack of availability of such a locomotive is believed to be the result of a lack of sufficient demand.

In the initial 350,000 km of testing of the French TGV, a turbine locomotive was used to develop test speeds of 185-200 mph. The Empire Line in New York State powered by a turbine locomotive operates at speeds of 110 mph. Changes in gearing of existing diesel electric locomotives could produce higher speed capabilities. The diesel locomotives available, however, typically generate half of the power unit that electric locomotives provide.

The efficiency and fuel costs using nonelectric locomotives would be significantly worse than for comparable electrically powered units.

Mr. CARR. Well, you might look at the experience of Amtrak, with the support of this subcommittee. We are characterized as being anti-high-speed rail. We are not. I think this committee is fairly characterized as being high-speed rail skeptical, but willing to spend money and do things that are necessary. We support the philosophy enunciated most clearly by Graham Claytor of pursuing high-speed rail in increments instead of some grandiose program.

Although the Secretary's remarks yesterday were not in that mode, his testimony before this subcommittee clearly endorsed an incremental approach. The bill that the Administration has proposed for the consideration of the Congress is in that mode, and I am encouraged.

Given that Amtrak went out for proposals twice to industry, the private sector, to achieve a development program in this area and twice failed to get sufficient submissions, it would appear as a threshold prima facie case that there is a technical barrier here.

Mr. JOHN. I was thinking that they would have had that technology in Europe. This is certainly worth looking at.

Mr. CARR. Europe is all electrified.

Mr. JOHN. They don't have them working as self-powered units.

Mr. CARR. Is all high-speed rail defined as 125 miles an hour and greater is electrified?

Mr. JOHN. Yes.

Mr. CARR. Now, those who have looked at it more closely than I, Mr. Claytor and others, suggest that there is an opportunity to break existing barriers within 10 years.

I think this subcommittee would like to have confidence in that before we spend a lot of money in doing all the other things that are necessary to create high-speed rail on thousands of miles of track all over the country.

There are the technical issues, such as you indicated, about mixing high-speed, light-weight passenger trains with heavy, slow freight. Indeed, there is the issue of how do we increase the speeds of the freight. One answer is to reduce the differential in the mix, and that imposes perhaps some technical questions.

So, it may well be, in other words, that conventional diesel power units, while not the power unit for the light-weight, high-speed passenger train, nonetheless should be improved not only for its own efficiency, but also to help alleviate the mix problem. That might be an applications engineering problem.

Mr. JOHN. We have got a couple of people at the Volpe Center who are following this area, and I will look into it further.

To be honest with you, I had heard about this problem and put it out of my mind thinking it was a straightforward engineering application. Now that you have brought up the issue, I remember that Europe is essentially all electrified.

Mr. CARR. I don't see in the near term our country having the money to electrify hundreds of thousands of miles of track. It simply isn't feasible.

Mr. JOHN. Yes, sir.

Mr. CARR. The infrastructure durability issue, I think, is a fair way of characterizing it.

Mr. JOHN. Yes, sir, and essentially both making observations on the state of the infrastructure and then looking at new processes and new materials that might be applied to repairing the infrastructure. I personally think this should get very high priority. We are dealing with a very, very diffuse construction industry and this is one area where there hasn't been any concentrated R&D activity.

Mr. CARR. Well, this would seem to be a good example of the cross-modal notion.

Mr. JOHN. Yes, sir.

TECHNICAL BARRIERS FOR NEW COMPONENT MATERIALS

Mr. CARR. We have talked at great length to the folks at airports, at FAA, and are somewhat astounded to find out that they are light years behind FHWA in profiling that portion of an aircraft's journey in which it is a terrestrial vehicle.

The FAA is talking to FHWA about the HPMS data base, how it is constructed and how the FAA might do something similar.

In the area of durability, are there technical barriers?

Mr. JOHN. I think that there appear to be new materials available and new materials on the horizon. One should begin to assess these new materials and begin to see their application to rehabilitation and maintenance. It is almost as if there is a big warehouse, if you will, of materials lying there that might be applied.

There was an article I read in Scientific American in April of this year that featured this topic. In terms of R&D priorities, it hasn't been a very glamorous area, but in terms of payoff, if one really could work out better ways to fix mundane things such as pot holes through better use of materials, I think that would be a very powerful way to go, and this is an area that has been neglected.

Mr. CARR. As part of that materials research, would you include as an R&D target this whole notion of mixing old tires in asphalt?

Mr. JOHN. That would certainly be one of the things that one would look at. My personal recommendation would be that if you look at that area, the researchers from the beginning should make sure they know their target which is simply the application of new materials and processes to fix the highways and airport runways. Mixing old tires in asphalt might indeed be an application.

TECHNICAL BARRIERS TO CONSTRUCTION METHODOLOGY

Mr. CARR. Do you see any technical barriers or opportunities in construction methodology and things like that?

Mr. JOHN. Again, yes, sir, it is the same sort of thing that service industries are looking at very hard when they reengineer their enterprises. How do we organize construction? How do we organize maintenance and rehabilitation?

SEPARATE FUNDING FOR R&D

Mr. CARR. Do you think it would be helpful if our subcommittee broke out R&D funding as a separate title in our bill, across the modes?

Mr. JOHN. Yes, sir. A line item for multimodal R&D would certainly give a challenge to the Department and I think that is one of the possibilities that the Secretary is considering.

The problem has been that there isn't any cross-modal problem defined for R&D to address in the Department. Therefore, since there is no funding, the Department never really has, except in a reactive way, had to organize to respond to that sort of challenge.

Ms. MCMURRAY. Although I would add that one of the subject matters that the R&D Coordinating Council has addressed is this issue of core technologies or generic technologies in which one of the operating administrations might be designated the lead, for example, to focus on advance materials for use in aircraft design as well as automobiles.

And perhaps if R&D funding reflected a lead-agency idea and funding were provided for that organization to take the departmental lead, I think there is a lot of applicability across modes.

FUNDING DOT R&D THROUGH RSPA

Mr. CARR. Suppose we were to scrape up all of the R&D proposals in the President's request and zero them out, sum the total and appropriate the funds to RSPA in its role as the chair of the coordinating council?

Ms. McMurray. I certainly don't think that would make us a very popular organization.

Mr. Carr. Hear me out, with earmarking of each agency's proportion of the R&D budget for you then to coordinate.

Ms. McMurray. I think that is the kind of issue that you might want to pose to the Secretary. I am not certain that he would feel that RSPA would have the infrastructure, if you will, within our own organization to spearhead that kind of leadership. And I think we need to be concerned about separating from the operating administrations' research and development efforts that directly support the missions of those organizations, particularly the FAA and the Coast Guard. Most of their R&D is in support of their operational responsibilities.

Clearly, on the issue of intramodal or multi-modal technology, again the coordinating council believes there is some merit in identifying and declaring certain organizations, which have more of an interest than others as the lead organization to develop that technology and share it with the other operating administrations who may have an application of those outcomes.

MEASURING SUCCESS OF R&D PROJECTS

Mr. Carr. Where do you think the interface is between research and development, and measurements of research and development?

One of the needs is to have analytical tools. Dr. John, we have talked about this a lot.

Mr. John. Yes, sir.

Mr. Carr. Not only on the economic side, but also on the technical side. How do you get risk assessment of certain technological goals so that you have some way of knowing that your choice is between a $100 million project which has a 10 percent chance of paying off and a $100 million project with a 40 percent chance of paying off? Do you include that as part of your definition of what research and development is? Statistical research, in other words?

Mr. John. As I am sure you are aware, you are touching on a subject that is of great concern to industry. I would say that, certainly, in one sense you have to take an implicit or explicit statistical approach and when you set R&D priorities that sort of analysis has to go through your mind.

To go back a step, one could begin to look at the possible payoffs for working in rehabilitation and maintenance of infrastructure. So little has gone into that area. Thus, one might think that it would make sense to give it a fairly high priority. Now, here I have done a very qualitative analysis but I am not sure how far you can subject it to very accurate statistics. Clearly, when it comes to R&D, risk assessment is a very difficult area.

I want to follow up with something Rose said. When Secretary Peña came in he asked essentially the same question you were asking, about looking at all the R&D money.

We have to make it very clear that R&D in the department is in four areas. One area essentially supports the regulatory activities of agencies such as the National Highway Traffic Safety Administration, the FRA, and the Office of Motor Carrier Safety.

Another area is the thing we were talking about last week at the FAA hearing, which is R&D in support of the operational responsibilities of the Federal Aviation Administration, and the Coast Guard.

A third type of R&D supports policy formulation where one gathers data, transportation data and statistics.

The fourth one, that really has come into the forefront is the whole area Rose mentioned earlier, this is the area of stimulatory R&D, where the government isn't the customer for the final product. In this area the issue is how to stimulate. How does the government stimulate IVHS? How does the government do stimulatory R&D for the next-generation motor vehicle? With that sort of stimulatory R&D, in many cases, you have to almost go intuitively in deciding where to put your bets.

But as you were saying before, some of this is long term, and indeed if we are going to stimulate a next-generation motor vehicle that doesn't run on petroleum, then the government should be putting some stimulatory R&D way up front and working with the industry.

But I think quantifying the process is particularly difficult.

Mr. CARR. Is it worthwhile?

Mr. JOHN. Yes, because I think what is worthwhile, rather than obtaining a very specific answer, it is the process which gets people thinking in that direction. The process eventually will result in informed decisionmaking.

RSPA MISSION DIVERSITY

Mr. CARR. Mr. Wolf, would you like to ask some questions?

Mr. WOLF. Yes, Mr. Chairman. I have a lot of questions.

Welcome to the committee. Let me just give you a comment I have after listening to your testimony and after kind of watching over the years. I don't think anybody knows what you all do at Volpe, and from what I gather, what you do is extremely important, it certainly would be from my perspective, yet I don't think many people would know about you.

When I think of RSPA, I think of pipeline safety more than anything else. It appears you have almost become a repository of tasks which do not fit elsewhere.

Do you have any comments about that, or feelings?

Ms. MCMURRAY. In many ways that is true. We pride ourselves on having a variety of activities, I think most of which can be classified as regulatory safety. This includes the pipeline and hazardous materials area, aviation data and statistics, research and development, which would include university research programs as well as the Volpe Center, technology transfer, and radio navigation activities. We are pretty diverse. It is quite a challenge.

Mr. WOLF. But being diverse has to be difficult for you, because it is very hard to chart a mission when you are so diverse, and I guess there is not much you can actually do about it, but——

Ms. MCMURRAY. Well, we are aware of our diversity. We like to say there is strength in diversity.

Mr. WOLF. Well, there is——

Ms. McMurray. It does represent a management challenge. You are expected and obligated to develop policies in a variety of different program arenas. We have tried very hard to structure the organization in a way that makes it simpler, makes it easier for the administrator to manage that diversity.

Mr. Wolf. I hope that the profile of, let's say, the Volpe operation is higher in the department than it is in the Congress. Because in the Congress, I bet if we had a quiz today over on the Floor, the Massachusetts Members would probably know and a few others, but I just don't know that many people would really know about Volpe.

Ms. McMurray. We like to call it the premier transportation facility within government. We have been around now in Cambridge for over 20 years, and if one could characterize what we do, we are the institutional knowledge of the department in transportation research and development.

RSPA STAFF ISSUES

Mr. Wolf. Let me ask you this. Dr. John, why are you acting and why are you not permanent? And is this a political appointment?

Mr. John. I hope I am permanent director.

Mr. Wolf. But it says acting.

Mr. John. Because the political appointee left this past year.

Mr. Wolf. There is a political appointee as head of the laboratory?

Mr. John. No. Let me make it clear. I am now talking as the Director of the Volpe Center. We report to the RSPA Associate Administrator for Research Technology and Analysis, in which capacity I am acting.

Mr. Wolf. What job is political here and what——

Mr. John. The director of the Volpe Center is a permanent SES civil service job.

Mr. Wolf. That is political?

Mr. John. The position of the RSPA Associate Administrator for Research, Technology, and Analysis may be filled by a political appointee.

Ms. McMurray. Sir, in fact, the associate administrator position is a general SES position which could be appointed either as a career or non-career individual. The prior incumbent was in fact a political appointee, but that does not require the next administrator to appoint that position in a political way.

DEVELOPMENT OF TILT ROTOR TECHNOLOGY

Mr. Wolf. I see.

Let me switch gears a little bit. I will jump around. You had mentioned, Ms. McMurray, at the outset about the tilt train. I have been raising the issue at the last couple of hearings, and I hope the committee agrees with me but I am going to keep pushing the issue. This is on the technology transfer issue with regard to technology leaving this country and going abroad.

One, I fear that we fund a lot of different programs, research and development and other programs, that the Japanese and the Germans and others take advantage of. Now, I know about MAGLEV developed here. I did not know about the tilt rotor. Where was that developed?

Ms. McMurray. Sweden.

Mr. Wolf. I thought you said earlier it was developed here.

Ms. McMurray. I am sorry, it was developed here. I don't know. I can provide that for the record.

TILT ROTOR AND TILT TRAIN TECHNOLOGY

Mr. Wolf. Dr. John, do you know?

Mr. John. In the case of the tilt rotor, I do believe that was developed in Europe. I could be incorrect on that.

Mr. Wolf. Because you have a conflict here. If you can check that out and get back and let me know, I would appreciate it.

Mr. John. Certainly.

[The information follows:]

Two developments seem applicable to your inquiry. The tilt rotor, a new type of aircraft can take off and land vertically, like a helicopter, tilting its rotors in flight for use as propellers to achieve speeds and operating dfficiencies comparable to fixed-wing turboprop aircraft. The technology is U.S. in its origins. Currently the V-22 Osprey tilt rotor is under joint development for the Defense Department by Boeing and Bell Helicopter/TEXTRON, Inc.

The tilt train recently tested by AMTRAK was developed in Sweden. It is being marketed in the United States by Asea Brown Boveri (ABB) particularly for use in the (electrified) Northeast Corridor.

Mr. John. I am sorry, sir, were you saying tilt rotor? I am sorry, I misunderstood. I thought he said tilt train. I apologize.

PROTECTION OF U.S. TECHNOLOGY FROM FOREIGN USERS

Mr. Wolf. Can you take a look at a statement, and we will get it for you before you leave, on the technology transfers that are taking place in foreign countries as a result of their intelligence agencies that are directly aggressively moving?

There was a list, a document that was put out by the French intelligence listing a number of technologies that they were interested in. If you would take a look at it before we leave today, I would appreciate it.

Tell me, what do you do at the laboratories? How do you protect technology that you develop?

Mr. John. In terms of the laboratory, we do some R&D. We have not particularly taken major steps to protect that R&D.

As a systems center we look at complete transportation systems and transportation organizations, and are helping parts of the department with strategies planning and in some cases help them to reengineer, if you will, their enterprises.

I am not evading your question, but we do not, I believe, do any R&D at this moment at the center, which would be subject to foreign intelligence activities.

Mr. Wolf. You must be involved with contracting out research and development for the center.

Mr. John. Yes. A lot of that research that we contract out is applied research and systems engineering. In other words, we are not working on specific vehicles or technologies.

Mr. WOLF. I understand that. But what you do work on, what do you do to protect it from foreign companies or foreign governments from pirating the information? Could they file a Freedom of Information Act and find out everything that you are doing?

Mr. JOHN. I imagine that they could.

Mr. WOLF. Do you have a list of all those who have filed?

Mr. JOHN. We have such information.

U.S. TECHNOLOGY FOIAS

Mr. WOLF. Could you furnish to the committee all the requests for Freedom of Information Acts for the last five years, highlighting those who are foreign companies?

Mr. JOHN. Certainly.

[The information follows:]

RSPA handled 400 Freedom of Information Act (FOIA) requests in calendar year 1991 (259 in Headquarters and 141 at the Volpe National Transportation Systems Center (VNTSC)); 471 requests in calendar year 1992 (330 in Headquarters and 141 at VNTSC).

A manual search of our records for calendar years 1991 and 1992 has not disclosed a foreign requestor. FOIA does not require the requestor to identify who they are representing. The majority of RSPA's requests are from law firms and consulting organizations and they do not identify their clients or the purpose/use of the documents/data, etc.

Mr. WOLF. Does it come to mind that many have made requests?

Mr. JOHN. To be honest with you, it does not, but——

Mr. WOLF. Mitsubishi?

Mr. JOHN. I don't believe so, but we would have to look at the list.

Mr. WOLF. If you could look at it, because sometimes it is difficult to find. What happens is they hire prominent law firms in town, and they will make a request under the Freedom of Information Act. Therefore, the Federal agency answering the request won't really know who it is going to.

How would we be able to do a study to find out the amount of information that leaves this country going to foreign competitors through the Freedom of Information Act? Do you have any sense of that?

I am talking about research and development; I am not talking about political material.

I know the Food and Drug Administration is sometimes bombarded with requests in search of one small missing element. If you do this on a systematic basis, you begin to get a total picture.

How would you study that to see what impact has been made over the last 10 years with regard to the Freedom of Information Act and the export of technology outside the country?

Ms. MCMURRAY. I think we would at least be able to research on your behalf what that process might be. It could involve the Justice Department, it might involve the White House and the Office of Science and Technology Policy. I don't think we simply know the resources that exist in the Federal Government that we might be able to look into that.

FOIA LAW AND EXPORT TECHNOLOGY

Mr. **Wolf**. If you would do it for your agency and then let us know, and then if you could look to see how we could do it government wide.

[The information follows:]

The Freedom of Information Act does not prohibit requests by foreign persons and does not require the requester to identify the use to which the information will be put. To the extent that these foreign persons have filed requests and that the agency still retains the records, RSPA could manually search those records. However, requests for information are commonly made by law firms or other entities in the United States on behalf of unnamed clients. RSPA knows no way to determine whether any of these clients are foreign entities.

Mr. **Wolf**. This is a very difficult issue, and it is hard to really create a lot of interest in it sometimes, because there are so many people who are making a living doing this who are American citizens that nobody wants to deal with it.

The Chairman yesterday on some NHTSA matters had an article, and it talked about how Hogan & Hartson was very active. Hogan & Hartson has hired the former national chairman of the Republican Party, Mr. Fahrenkopf. The deputy national security adviser, Sandy Berger, worked for Hogan & Hartson and is now one of the people making the decisions in the White House as to whether or not they should extend Most Favored Nation Status to China, yet he was a representative of a company that was working to keep the MFN for China.

It is very difficult to get people excited about it because they don't want to cut off their source of income when they leave the government or when they come out and do something. So if you could help me on this, particularly from a research and development, not political——

Ms. **McMurray**. I think our chief counsel might have insight into answering your question.

Ms. **Kaleta**. I think it may be difficult for us, and I want to give you advance warning, when we get Freedom of Information Act requests, what people don't tell us is who they are representing. There is no need under the statute to tell us why they are looking for the information.

So in terms of going back through our records, what we have is an ability to say the type of information we released, but that—when we do annual reports on Freedom of Information Act requests, normally we will say what we have withheld and not the type of information released.

So to go back through thousands of requests over the last 10 years will take basically a manual search of going through each letter.

PUBLIC ACCESS TO FOREIGN TECHNOLOGY

Mr. **Wolf**. I don't want to—you are doing such good work, I don't want to tie you up doing this. Let's just take the last two years to get some sense. I know you won't find many from Mitsubishi. I am sure they are going to hire a prominent law firm downtown. But I am thinking of introducing legislation which would change the

Freedom of Information law to require them to designate who the end product would go to.

I have also considered introducing legislation which would prohibit foreign companies from taking advantage of the Freedom of Information Act.

Also, please tell me what the policy is on other countries. Does Germany have a Freedom of Information Act whereby you can get all the technology? Do the Japanese have a Freedom of Information Act that would allow a General Motors to come in?

And I would like to use your agency as kind of a pilot, if you will, because, one, it comes before the committee that I am sitting on, and secondly, this is an area I am interested in, and I think foreign competitors—we have lost VCR technology; I don't want to lose IVHS. I want IVHS to be developed here in the United States so the jobs are here.

Maybe after you get some preliminary data, you can come on by and we can just sit around and talk about it before I draft it.

[The information follows:]

No, neither Japan or Germany have a national law similar to the Freedom of Information Act (FOIA). The Japanese government would allow a person to request information, however there is no national law that would require disclosure. Each request is handled on a case-by-case basis and each decision is made after evaluating all circumstances of each request. Thus, there is no category of records that are routinely released.

Germany also has no national law similar to FOIA. Thus, the German government is not required to release documents or open the decisionmaking dockets to members of the public. As a general rule, internal government documents are not released to the public. There have been some initial discussions concerning the adoption of laws similar to FOIA between representatives of Germany and the U.S. Department of Justice.

PIPELINE SAFETY INSPECTORS

Mr. Wolf. You were given the authority last year to hire six additional pipeline safety inspectors. You have hired three, and are looking for three more? I am leading into the Colonial issue.

Ms. McMurray. We have a total field inspector complement of 22, as well as an additional complement of five directors who also inspect pipelines, for a total of 27.

Mr. Wolf. Didn't we give you the allocation for six additional——

Ms. McMurray. Yes, and then the Senate curtailed FTE to three for those six inspectors.

Mr. Wolf. So you would have liked to have had the full six?

Ms. McMurray. Well, we judiciously manage our resources, sir. We, in fact, proceeded to hire the inspectors according to the Senate report, and we now have a full complement, if you add the 22 and the five, to 27. That is more than we have ever had in this program.

Mr. Wolf. You don't ask for any more money this year, though, do you?

Ms. McMurray. No, sir.

Mr. Wolf. Do you think the problem is pretty much under control?

It just seems to me, and I don't know that additional inspectors can get you to the point where you take care of all the problems.

When I look at the cost of the Colonial situation, I don't know what that is going to cost in dollars. But in disruption and in environmental aspects and some of the others, the cost is going to be up in the millions over the years.

I am not sure if you had three more additional pipeline inspectors, that would have made a difference. Three more inspectors would have cost you about $180,000, and the cost of the Colonial spill is going to be much, much more.

Do you need more? Would you like more? Is it important to have more? Or is it the fact that you haven't asked for more this year because the department is concerned about the deficit and budget?

Ms. McMurray. Clearly we see the inspection and compliance program fitting into the overall pipeline safety program. One of the underlying aspects of the construct of that program is to base effort on the basis of risk, and George's office has done a great deal to identify the highest risk pipeline segments and to ensure that his inspectors inspect 100 percent of those pipeline——

Mr. Wolf. Would Colonial have been in that category?

Ms. McMurray. I will let George answer that.

Mr. Tenley. Yes, as you and I discussed at the site, that particular pipeline segment was inspected in March of this year, because it was on the priority list for the Eastern region.

Mr. Wolf. Well, we were told that the actual inspections—and this is not meant as criticism, just so you know, because I understand the numbers—but we were told the actual inspections really only scratch the surface. That inspection includes analysis of the company's records, maps, checkup on alcohol and drug testing in the industry, and examination of the valves. I assume that is accurate.

If that is accurate and you have only a few people and with the number of pipeline miles we have in the country, I am just wondering, in our effort to reduce the deficit, which I think we should, but are we overlooking the need for more inspectors?

Ms. McMurray. I will let George answer the more detailed aspects of that. But one of the underpinnings of the pipeline safety program nationally is our partnership with State governments, who have the yeoman's share, 92 percent of the total, pipeline safety inspectors in this country, and through our grant program we leverage State participation and encourage them to in fact take over more jurisdiction of intrastate pipeline inspection.

George may have an insight as to the productivity gains that his inspectors——

FUNDING ADDITIONAL INSPECTORS

Mr. Wolf. Fiscal year 1993 budget provided funding to hire three additional inspectors. The Senate report directed RSPA to ask for full funding for the six additional inspectors for fiscal year 1994.

Fiscal year 1994 budget request does not ask for these positions and actually cuts pipeline safety office by two.

Ms. McMurray. If I recall your question, you asked if—how many inspectors were authorized.

Mr. Wolf. And are all the ones that you have been directed to hire been hired?

Ms. McMurray. We do have two vacancies in the pipeline safety program.

Mr. Wolf. The Senate report directed RSPA to ask for full funding for six additional inspectors for fiscal year 1994. That has not been done? Because you don't ask for any this year.

Ms. McMurray. We ask for funding for—as I recall the budget—three FTE for the six inspectors.

Mr. Wolf. How does three—I don't understand.

Ms. McMurray. Half of the FTE for the additional six was in the President's request.

Mr. Wolf. So you are actually down by three from what the Senate——

Ms. McMurray. Three FTE, yes, sir.

Mr. Wolf. Is that because you don't think it is a problem, or is that because you just are trying to meet the President's concern——

Ms. McMurray. We certainly need to conform to the President's initiative of conserving our use of FTE. We hope that with some reforms in our inspection program that we target our inspectors, the complement that we do have, to the highest-risk pipelines.

Mr. Wolf. Sure. Well, let me ask you, when you made the submission to OMB, what did you ask for?

Ms. McMurray. I don't recall exactly what we asked for. I believe we——

Mr. Wolf. Do you remember?

Mr. Tenley. From OMB we asked for the full annualization. We had taken it up to 72 positions in 1994.

Mr. Wolf. They turned it down?

Mr. Tenley. As I recall, yes. That was back in November.

Mr. Wolf. So you feel you could use more people?

Mr. Tenley. Can I go back to the opening comment you made that got us started on this?

Mr. Wolf. Sure, yes.

Mr. Tenley. I want to thank you for being generous in saying you didn't want to be critical. I am being critical.

I believe the situation is, we got to this place in 1993 on the belief we needed more inspectors, to do more civil penalty enforcement and what have you. I think we need to get into the business of risk management. I think we have been seen as a risk eliminator, and that distinction is important.

I think we have missed opportunities to put our people and resources in improving our data, spotting trends, knowing things about pipelines that might tell us that we need to go harder on a pigging program, we have chased the compliance aspect of this and not looked at the underlying nature of the program.

If we were to add more people, I don't know that we would add more compliance inspectors. I might add some economists, perhaps, some data analysts, some environmental engineers for our new mandates, and I would try to run the program that way. If I were to add 100 inspectors, I don't think I would have prevented the Colonial spill.

Could we use more inspections? We could do more inspections. Our risk base plan could catch more problems ahead of time. That is how I would respond generally.

EMERGENCY RESPONSE FOR PIPELINE SPILLS

Mr. WOLF. Let me jump ahead then, because that is a question I have.

A factor in the high volume release of the product into the environment during the Colonial spill was the delay of up to 1.5 hours in getting to the valves. That brings up the importance of the emergency response plans. The Oil Pollution Act of 1990 required every company operating pipelines to file a detailed emergency response plan.

We were told that you have a room at RSPA literally stacked with hundreds of these plans that haven't been evaluated. Is that accurate?

Mr. TENLEY. That is true.

Mr. WOLF. I guess, I was just curious, has Colonial's been evaluated?

Mr. TENLEY. It has been evaluated. It has not been reviewed under the OPA process yet.

Mr. WOLF. So you may need people here. Are you asking for anything here?

Mr. TENLEY. Because a lot of this work is survey work and it involves going through material of which we have never historically looked. We do have money in the budget, $2.565 million, mostly contract dollars, to do this process, because we have no experience in the field at all.

Mr. WOLF. Some of these plans could be companies that are really potentially problems. Obviously the companies went through all the work to compile this data and get it in, so it should be reviewed. Is the storage room orderly? Can you locate specific plans?

Mr. TENLEY. That is one of our highest priorities. The budget request reflects that in dollar terms. You are exactly right in the way you characterize it. It is the very situation in which we find ourselves.

COLONIAL PIPELINE SPILL

Mr. WOLF. Well, why don't you keep us informed about that? Do you know what the Colonial pipeline is going to cost to clean up?

Mr. TENLEY. Not yet. These things usually take years. If we include legal claims and agreements that Colonial may work out with the local jurisdictions as they have done previously, I would guess it would be around $10 million.

Mr. WOLF. Are you still involved with NTSB looking at this?

Mr. TENLEY. In a very critical area, we are. Our metallurgists work with their metallurgists. We try to reconstruct that flawed piece of pipe and find out what the calibration was for the pig, what the pig needs to find in the nature of that kind of failure.

Mr. WOLF. Do you have any feelings about what happened?

Colonial made their comment. I thought we would know within a week. It seems the metallurgist said, I will know by the end of the day.

Mr. TENLEY. Fortunately, it wasn't my metallurgist that said that. We know it is mechanical damage.

Mr. WOLF. From the outside in or inside out?

Mr. TENLEY. Outside in. It wasn't directly related to the operation of the pipeline.

Mr. WOLF. Do you think it took place when it was put in the ground, or——

Mr. TENLEY. We don't know yet. The recent excavation on the parallel pipeline indicates there were marks similar to the one which failed in the same area, same zone, associated with a water culvert laid later. That suggests the damage may have occurred after it was constructed and not when it was constructed; but that is speculation.

Mr. WOLF. That would have been somebody involved with the construction of a parking lot?

Mr. TENLEY. Water culvert. That is a potential.

Mr. WOLF. Will you be able to conclusively say?

Mr. TENLEY. I am not sure. It is not like setting the time of death in forensics. Our metallurgists will try to determine the age of those gouges and marks.

Mr. WOLF. Can you tell from the material on the pipe how long it has been since it has been scratched?

Mr. TENLEY. No.

Mr. WOLF. When do you think you and NTSB will know?

Mr. TENLEY. We are dependent on the NTSB's progress. They are looking at it from the standpoint strictly of the cause of the accident. That is the first thing they want to find out.

As I suggested, we have an interest in remediating the pipeline. What does this failure tell us about the future of the pipeline and how we want to control it. So at some point we have to merge our interests, and right now we are yielding to the NTSB's statutory preeminence, if you will, to determine the cause of the failure.

Mr. WOLF. When do you think they will know?

Mr. TENLEY. I can find out and put that in the record——

Mr. WOLF. I met with Fairfax County on Tuesday, and they feel they have gone back and looked at the records and don't have any records of anybody else that could have been back there at the time. Are you talking to Fairfax County?

Mr. TENLEY. Yes, I had a meeting with the county executive of Fairfax County last Friday.

NTSB DETERMINATION OF COLONIAL SPILL CAUSATION

Mr. WOLF. Well, if you would keep us up to date. It is done now, but that has caused a lot of problems. It actually didn't take place in my congressional district, but it impacts pretty heavily.

[The information follows:]

In conversations with the investigative staff of the NTSB, we learned that a determination of cause would ultimately be made and announced by the Board based on the ongoing investigation. No time frame could be provided as to when the Board would announce its determination.

USE OF EMERGENCY FLOW VALVES

Mr. WOLF. What about the issue of the valves? The closeness of the shutoff valves? Should there be any change? What is the requirement now with regard to the spacing of the valves and whether they are manual valves or automatic?

Mr. TENLEY. We don't require a valve location. We have no valve location requirement, with the exception of valves on either side of a water course more than 100 feet wide or any body of water intended for human consumption. We do require valves to be placed on either side of those bodies of water.

Mr. WOLF. That would be like the Potomac River, on both sides?

Mr. TENLEY. That is correct, and there are valves there.

The point you made, the pipeline was shut very quickly using a remote controlled valve downstream of the accident site. There was also a manually controlled valve which may have taken an hour and a half to close, I don't know right now. But it was not a valve which isolated the spill. The remote control valves isolated the spill.

Mr. WOLF. But a manually closed valve, you can't get to it unless you are with a pipeline company.

Mr. TENLEY. That is right.

Mr. WOLF. That is very dangerous. You can't even probably allow rescue or police to get to it.

Mr. TENLEY. Theoretically that is true, but believe me, we have situations where the fire marshal, where he felt citizens are at risk, does go in and shut a manually controlled valve. But you are correct, a manually controlled valve doesn't give you what a remotely controlled valve gives you in terms of protection.

Mr. WOLF. In Colonial, the remote control valves are how far apart?

Mr. TENLEY. I think the remote-controlled valves in this pipeline were 14 miles apart. There was also a manually controlled valve outside the two valves which controlled the spill.

Mr. WOLF. Do you think there should be any change in legislation with regard to——

Mr. TENLEY. Not legislation. I think we have a lot of legislation. But I think we need to look at that question, and the program review that Ms. McMurray mentioned is going to include the issue of valve spacing as an enhancement for environmental protection.

Mr. WOLF. Do you have the authority to do that——

Mr. TENLEY. We have very strong existing authority. We have direction in the 1992 act which tells to us look at the issue as well.

COLONIAL SPILL VS. OTHER SPILLS

Mr. WOLF. Okay. I guess you won't be able to conclude very much until you are able to say how it happened.

Mr. TENLEY. Well, again, in terms of the interests you are raising, which are very legitimate interests, we don't have to have the cause of the accident to act. The fact is the pipeline let out 8,000 barrels of oil. It raises issues of pigging.

These are evaluations, when you talk about an area as sensitive as your district or your colleagues' in Virginia. I think we can have direction without knowing what the cause of the failure was.

Mr. WOLF. How does this compare with other spills that have taken place within the past year?

Mr. TENLEY. I would say it is about average, perhaps. We have had some larger ones and several smaller ones.

Mr. WOLF. How many happen in a typical year?

Mr. TENLEY. I think last year we had about 200 reportable failures from pipelines we regulate, although there are about 2,700 spills every year reported to the National Response Center. The majority of these spills are from pipelines not currently regulated by us, except under the Oil Pollution Act.

Mr. WOLF. How many happened the size of Colonial?

Mr. TENLEY. Less than three. Maybe one or two.

Mr. WOLF. Haven't we had four in the State of Virginia in the last couple of years?

Mr. TENLEY. There have been a couple in Virginia. There was one in Centerville, Virginia in which a developer's back hoe struck a pipeline. We had one in Virginia caused by railroad fatigue, that is caused by the way the pipeline was transported prior to 1970, on railcars. This has been corrected on their entire system. There was an earlier failure due to corrosion in Virginia in 1982. So they have had their failures. That is their record generally.

Mr. WOLF. Is that a good record, or average?

Mr. TENLEY. I think it is about an average record. One of the problems when you look at the Colonial situation, you say there are 12 to 15 failures over the last 15 years, six of those were that one system problem I mentioned of railroad fatigue. That has been corrected systemwide. So we see that as one problem with Colonial.

Two or three have been third-party dig-ins. That is a different kind of problem. We had one corrosion situation. That is a different kind of problem.

Colonial has had three or four different problems on their system, and these problems are endemic to all pipelines in the United States. These are risks we face with pipelines.

COLONIAL PIPELINE PIGGING OPERATIONS

Mr. WOLF. Some have indicated that the Colonial spill could have been avoided with periodic inspections by the so-called "smart pig" device.

Mr. TENLEY. A pig had been run in 1989, and it is one of the least smart of the smart pigs. It is called a caliper pig, and it is there to find deformations. In fact, the line excavated had a caliper pig run through it, and that pig had found some minor dents which did not threaten the integrity of the pipeline but it was capable of finding them.

We will be requiring Colonial to run a second-generation or third-generation smart pig, which is much more intelligent and will find more data than just a caliper pig.

We will be meeting with them to finalize their pigging plan. Under the order, they have submitted to us a plan. We have raised some issues with that plan. We will be sitting down I think to formalize how they will run the pig for purposes of remediating the pipeline.

Mr. WOLF. How long will it take for them to actually run the pig?

Mr. TENLEY. It will be a matter of weeks. One of the issues in this country is obtaining enough pigs.

Mr. WOLF. Where are these pigs made?

Mr. TENLEY. Most of the pigging technology is being developed outside of the United States, in Canada, Japan, and Britain. But we do have some pig manufacturers, which are vendors, in the United States.

But in the Colonial situation, they will go where they must, in order to get the pig. It is not uncommon to go to Canada to get a pig.

Ms. McMURRAY. While we are discussing with Colonial which is the most appropriate pig to use on that line, Colonial will continue to be restricted to 50 percent operating pressure, so there is no concern for another environmental incident.

THIRD PARTY SPILL LIABILITY

Mr. WOLF. You have so many responsibilities, you can't regulate everything, and you said the state responsibility is really the major part—yours is research.

DOT has seemed resistant to the idea of assessing civil penalties to third-party perpetrators in oil spills such as construction crews because of the cost of a administering such a program. Isn't that really a mistake, though? Shouldn't you be agressively involved in third-party liability?

We can't keep hiring 5,000 inspectors for every pipeline in every county. Is it not better to signal the companies, not in a self-regulatory way, obviously, because you are not going to abdicate but signal them of their responsibility and liability. Obviously in the case of Colonial you don't have any records of Miss Utility being called. Have you checked that?

Mr. TENLEY. That is still part of our investigation.

ONE CALL SYSTEMS

Mr. Wolf. I am surprised it has taken so long. It has been over a month. Aren't the Miss Utility calls logged so that it is easy to find now? That is a very site-specific area.

Mr. Tenley. The event occurred back in 1986, and some of the problems with some One Call systems, I am not saying that system has that particular problem, but they don't maintain records for a sustained period of time. The better ones do.

Mr. Wolf. How long do they maintain it?

Mr. Tenley. I will supply that for the record.

[The information follows:]

The "Miss Utility" one-call system, serving Virginia, Maryland, and the District of Columbia, which the State of Virginia incorporates in state law, retains for six years records of notifications by excavators of an intent to dig.

Mr. Wolf. Also if I could send it to Fairfax County and to the State. Is that a State law or county law?

Mr. Tenley. State law.

Mr. Wolf. If you could look, because I think they could find that the next day or two days later. Clearly if somebody calls and they hit something and nothing happens, you would still want to know it is on file in case something came up later on. I was surprised it has taken so long.

Ms. McMurray. One of the initiatives we undertook several years ago in implementing the 1988 Pipeline Safety Reauthorization Act was in connection with our grant program, to have certain basic requirements that States had to have in their law in order to be eligible for full grant funding, and this notion of retaining records is in those procedures.

We recognize the very point you are making. Since it is State law, we can encourage it through the grant program.

Mr. WOLF. Let me know where we are at. You don't have to submit it to the committee. Just get it to me and let me talk to the people in the State of Virginia, Fairfax.

Ms. McMURRAY. One of the outreach endeavors of George's office has been to speak to State legislatures and State governments about those individual States adopting more aggressive enforcement provisions for One Call systems.

ONE CALL SYSTEM MODEL LAWS

Mr. WOLF. Do you have a model built? Is there a model law?

Mr. TENLEY. We don't have a model law but we are using the ones in Arizona and Minnesota as examples of ones that work.

Mr. WOLF. Why don't you send us examples and let us get them off to the legislature?

Ms. McMURRAY. Certainly.

[The information follows:]

The Arizona underground facility protection statute is an excellent law for other states to emulate in providing protection of underground facilities from the threat posed by excavation activity in the area of those facilities.

ARTICLE 6.3 UNDERGROUND FACILITIES

§ 40-360.21. Definitions

In this article, unless the context otherwise requires:

1. "Abandoned" means no longer in service and physically disconnected from a portion of the facility, or from any other facility, that is in use or still carries service.

2. "Careful and prudent manner" means conducting excavation in such a way that when it is within twenty-four inches of the underground facility located and marked, by the owner or operator, by stakes, paint or in some customary manner, the exact location is manually determined, and the uncovered facility is supported and protected.

3. "Excavation" means any operation in which earth, rock or other material in the ground is moved, removed or otherwise displaced by means or use of any tools, equipment or explosives and includes, without limitation, grading, trenching, digging, ditching, drilling, auguring, tunneling, scraping, cable or pipe plowing and driving.

4. "Implied easement" means any easement or right-of-way on private property required to provide utility services by means of underground facilities on property of the owner requesting such service.

5. "Inactive" means:

(a) That portion of an underground facility that is not in use but is still connected to the facility, or to any other facility, that is in use or still carries service.

(b) A new underground facility that has not been connected to any portion of an existing facility.

6. "Installation of records of an underground facility" means maps, drawings, diagrams, surveys, schematics, illustrations, sketches or any other depictions or descriptions of an underground facility that reflect the location at the time of installation of the underground facility and any surface extensions in a reasonably accurate manner.

7. "Locator strip" means a plastic or other durable material ribbon containing a material capable of being detected from above ground with an electronic locating device and color coded by type of underground facility.

8. "Locator wire" means a copper wire or metallic, conductive, noncorrosive trace wire capable of being detected from above ground with an electronic locating device.

9. "One call notification center" means an organization of owners or operators of buried facilities which provides a telephone notification service for the purpose of receiving and distributing to its members advance notifications from persons regarding planned excavations.

10. "Person" means any individual, firm, joint venture, partnership, corporation, association, municipality, governmental unit, department or agency and shall include any trustee, receiver, assignee or personal representative thereof.

11. "Routine road maintenance grading" means the routine grading or resurfacing of the concrete, asphaltic or composite surface but not the subbase of a roadway by the state or a political subdivision of the state for the purpose of maintaining the surface condition of the road and includes recovery of material from a borrow ditch.

12. "Stakes, paint or in some customary manner" means marking the location of an underground facility by the colors established by the commission. These colors shall be restricted to the underground facility location.

13. "Underground facility" means any item of personal property which shall be buried or placed below ground for use in connection with the storage or conveyance of water, sewage, electronic, telephonic, or telegraphic communications, electric energy, oil, gas or other substances, and shall include but not be limited to pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments and those portions of poles and their attachments below ground.

§ 40-360.22. Excavations; determining location of underground facilities; providing information; excavator marking; on-site representative; validity period of markings

A. A person shall not make or begin any excavation in any public street, alley, right-of-way dedicated to the public use or utility easement or on any express or implied private property utility easement without first determining whether underground facilities will be encountered, and if so where they are located from each and every public utility, municipal corporation or other person having the right to bury such underground facilities within the public street, alley, right-of-way or utility easement and taking measures for control of the facilities in a careful and prudent manner.

B. Every public utility, municipal corporation or other person having the right to bury underground facilities shall file with the corporation commission the job title, address and telephone number of the person or persons from whom the necessary information may be obtained. Such person or persons shall be readily available during established business hours. The information on file shall also include the name, address and telephone number of each one-call notification center to which the owner of the facility belongs. Upon receipt of inquiry or notice from the excavator, the owner of the facility shall respond as promptly as practical, but in no event later than two working days, by marking such facility with stakes, paint or in some customary manner. No person shall begin excavating before the location and marking are complete or the excavator is notified that marking is unnecessary.

C. On a timely request by the owner of a facility, the excavator shall mark the boundaries of the location requested to be excavated in accordance with a color code designated by the commission or by applicable custom or standard in the industry. A request under this subsection for excavator marking does not alter any other requirement of this section.

D. In performing the marking required by subsection B of this section, the owner of an underground facility installed after December 31, 1988 in a public street, alley or right-of-way dedicated to public use, but not including any express or implied private property utility easement, shall locate the facility by referring to installation records of the facility and utilizing one of the following methods:

1. Vertical line or facility markers.
2. Locator strip or locator wire.
3. Signs or permanent markers.
4. Electronic or magnetic location or tracing techniques.
5. Electronic or magnetic sensors or markers.
6. Metal sensors or sensing techniques.
7. Sonar techniques.
8. Underground electrical or radio transmitters.
9. Manual location techniques, including pot-holing.
10. Surface extensions of underground facilities.
11. Any other surface or subsurface location technique at least as accurate as the other marking methods in this subsection not prohibited by the commission or by federal or state law.

E. For an underground facility other than one installed after December 31, 1988, in a public street, alley or right-of-way dedicated to public use, in performing the marking required by subsection B of this section, the owner may refer to installation or other records relating to the facility to assist in locating the facility and shall locate the facility utilizing one of the methods listed under subsection D of this section.

F. If an underground facility owner is unable to complete the location and marking within the time period provided by subsection B of this section, the facility owner shall satisfy the requirements of this section by providing prompt notice of these facts to the excavator and assigning one or more representatives to be present on the excavation site at all pertinent times as requested by the excavator to provide facility location services until the facilities have been located and marked. The underground facility owner shall bear all of its own costs associated with assigning representatives. If representatives are assigned under this subsection, the excavator is not responsible or liable for damage to or repair of the owner's underground facility while acting under the direction of an assigned representative of the owner, unless the damage or need for repair was caused by the excavator's negligence.

G. The marking required by subsection B of this section is valid for five working days on nonpermanent surfaces and ten working days on permanent surfaces from the date of the marking. If the excavation will continue past the validity period of the marks as provided by this subsection, the excavator shall notify the facility owner or an organization designated by the facility owner at least two working days before the end of the validity period.

H. Nothing in this section shall be construed to prevent an excavator and an underground facility owner from holding a preconstruction conference regarding marking and location of underground facilities and entering into a mutually agreeable written schedule or written arrangement for satisfying the requirements of this section, except that this subsection does not eliminate the excavator's obligation to notify the facility owner to mark excavation sites under subsection B of this section based on the actual construction schedule.

I. The owner of an underground facility shall notify the excavator whether the facility is active or abandoned. For an underground facility abandoned after December 31, 1988 or covered by installation records prepared under § 40-360.30, subsection A, the owner of the facility may not advise or represent to the excavator that a facility or portion of a facility is abandoned unless the owner has verified, by reference to installation records or by testing, that the facility or portion is actually abandoned and not merely inactive. For all other abandoned or apparently abandoned underground facilities, each one-call notification center shall establish a method of providing personnel from a facility owner qualified to safely inspect and verify that the facility is abandoned or active and a method for reimbursing the verifying facility owner for the cost incurred. The reimbursement method may not include any charge or expense to the excavator. An inactive facility shall be considered active for purposes of this article. For all purposes under this article, a facility owner, excavator or other person subject to this article may not represent that an underground facility is abandoned, or treat an underground facility as abandoned, unless the facility has been verified as abandoned pursuant to this subsection.

J. Nothing in this section shall be construed as prohibiting the use of warning tape, warning markers or any other warning device by the owner of an underground facility.

§ 40-360.23. Making excavation in careful, prudent manner; liability for negligence; notice; response; obliteration of marks; representative availability

A. Obtaining information as required by this article does not excuse any person making any excavation from doing so in a careful and prudent manner, nor shall it excuse such persons from liability for any damage or injury resulting from his negligence.

B. After markings have been made pursuant to § 40-360.22, an excavator shall notify either the owner of an underground facility or an organization designated by the owner if the excavator encounters an underground facility that has not been located and marked or has been marked in the wrong location.

C. Unless it would interfere with compliance with commission rules or requirements regarding maintenance or restoration of service and repair of facilities, the owner of an underground facility shall immediately respond to a notification under subsection B of this section for emergencies involving injury or damage.

D. An excavator or a facility owner shall not move or obliterate markings made pursuant to § 40-360.22, subsection B or fabricate markings in an unmarked location for the purpose of concealing or avoiding liability for a violation of or noncompliance with this article.

E. Owners of underground facilities in a county having a population of more than seven hundred one thousand persons according to the most recent United States decennial census shall have designated representatives available and on call for excavators who by public works contract specifications or municipal ordinances are required to work in congested locations involving public streets, alleys or rights-of-way dedicated to the public use during the night or on weekends. Night and weekend telephone numbers to reach the designated representatives shall be furnished to the excavator in writing within forty-eight hours after they are requested for a specific location.

§ 40-360.24. Notice of damage to underground facility

In the event of any damage to or dislocation of any underground facility in connection with any excavation the person responsible for the excavation operations shall immediately notify the owner of such facilities and shall not attempt any repair, except temporary emergency repairs, to the damaged facility. The excavation shall be left open until the arrival of representatives of the owner of the facility. Upon receipt of notice, the owner of the underground facility shall dispatch its representatives promptly, but in no event later than two working days, to examine the underground facility and, if necessary, effect repairs.

§ 40-360.25. Injunction; mandamus

If any person is engaging in excavation in a negligent or unsafe manner which has resulted in or is likely to result in damage to an underground facility or if any person is proposing to use procedures for excavation which are likely to result in damage to an underground facility, the owner of such facility may commence an action in the superior court in the county in which the excavation is occurring or is to occur, or in which the person complained of has its principal place of business or resides, for the purpose of having such negligent or unsafe excavation stopped and prevented, either by mandamus or injunction. Such persons as the court may deem necessary or proper may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or direct that the writ of mandamus or injunction issue or be made permanent as prayed for in the complaint. If the court finds that the person complained of has repeatedly engaged in negligent or unsafe excavation resulting in damage to underground facilities after the effective date of this article, the court shall issue such order and take such equitable action as shall be reasonable and appropriate to prevent continuance by such person of such negligent or unsafe operations.

§ 40-360.26. Damage of underground facility; liability to owner; homeowner exemption

A. If any underground facility is damaged by any person as a result of failing to obtain information as to its location, failing to take measures for protection of the facilities or failing to excavate in a careful and prudent manner as required by this article, the person is liable to the owner of the underground facility for the total cost of the repair of the facility.

B. A person engaging in excavating in an express or implied utility easement across property owned by him is not liable to the owner of the underground facility damaged by the property owner if the damaged underground facility is not buried or placed below ground in accordance with the applicable standards, if the underground facility is not located within the easement or if the person engaged in the excavation has complied with § 40-360.22.

§ 40-360.27. Liability for attorney's fee

The prevailing party in an action brought to impose liability under any section of this article shall be entitled to recover a reasonable attorney's fee.

§ 40-360.28. Civil penalty; liability

A. A person who violates any provision of this article is subject to a civil penalty in an amount not to exceed two thousand dollars to be imposed by the court in favor of the state. Any penalties received by the state shall be deposited in the general fund.

B. If a violation of this article results in physical contact with an underground facility, the violator is liable to the owner of the facility for all damages to the facilities and costs, expenses and damages to third parties incurred by the owner of the facility as a result of the contact.

C. If the owner or operator fails to locate or incorrectly locates the underground facility, pursuant to this article, the owner or operator becomes liable for resulting damages, costs and expenses to the injured party.

D. This section is not applicable to an excavation made:

1. During an emergency which involves danger to life, health or property if reasonable precautions are taken to protect underground facilities.

2. In agricultural operations or for the purpose of finding or extracting natural resources.

3. With hand tools on property owned or occupied by the person performing the excavation while gardening or tilling such property.

§ 40-360.29. Charters and ordinances of governments not affected; preemption

A. Except as provided in subsection B, the provisions of this article shall be cumulative and supplemental to other provisions of law or charter and shall not be construed to prohibit cities and towns from enacting ordinances regulating excavations.

B. The legislature finds that notification, location, marking, installation records, enforcement and remedies relating to underground facilities pursuant to §§ 40-360.22, 40-360.24, 40-360.25, 40-360.26, 40-360.28 and 40-360.30, are a matter of statewide concern and are hereby preempted by this state.

§ 40-360.30. Installation records of underground facilities

A. For all new underground facilities, excluding service drops and service lines, installed after December 31, 1988 in a public street, alley or right-of-way dedicated to the public use, but not including any express or implied private property utility easement, the owner of an underground facility shall prepare, or cause to be prepared, installation records of the underground facility, shall keep such records in its possession and shall refer to such records in locating and marking pursuant to § 40-360.22. Installation records shall also reflect, if applicable, any field notes or other indications by the installer of the facilities that the installation involved deviations or changes from installation standards, instructions or designs and the correction of any inaccuracies found as a result of locating or marking the underground facilities. Installation records of an underground facility shall indicate if all or a portion of the facility has been abandoned.

B. Installation records are for the internal use of the facility owner in locating its underground facilities and are not intended to be relied on by others.

C. After January 1, 1989, information contained in installation records relating to the nature and location of underground facilities, but not the installation records themselves, shall be made available in a timely manner and on a need to know basis to authorized persons who submit a written request and who are engaged in design of construction projects involving excavation in a public street, alley or right-of-way dedicated to the public use, excluding any express or implied private property utility easement. The owner of an underground facility shall make the same information available to authorized persons who are complying with a requirement imposed by contract providing for construction projects involving excavation in a public street, alley, or right-of-way dedicated to the public use, but excluding any express or implied private property utility easement or by operation of law to verify or confirm the nature and location of underground facilities. The owner of the underground facility, on consultation with the authorized person, shall determine the appropriate manner and form for providing the information. The owner of the underground facility may indicate any portions of the information that are proprietary and require the authorized person to protect proprietary matters.

D. The owner of an underground facility, in its sole discretion, may satisfy the requirements of subsection C of this section by allowing an authorized person to inspect or copy installation records themselves.

§ 40-360.31. Routine road maintenance; prior notification

A. Prior to performing routine road maintenance grading as defined in § 40-360.21, the state or political subdivision performing the routine road maintenance grading shall notify every public utility, municipal corporation or other person having the right to bury underground facilities in advance. For the purpose of this section advance notification means written notice delivered not more than sixty calendar days nor less than two working days prior to the performance of routine maintenance grading. The notification shall include all roads and their location which are planned for routine road maintenance grading within the peroid identified. Notification is complete when received by the persons identified in the records of the commission pursuant to § 40-360.22. No marking pursuant to § 40-360.22 is required in response to a notification of routine road maintenance and the notification specified in this section constitutes full compliance with any notice requirements for routine road maintenance grading.

B. If written notice, as required by subsection A of this section, is not practicable, the state or a political subdivision shall comply with the notice provisions required for excavation under § 40-360.22 before performing routine road maintenance grading.

C. Routine road maintenance grading as defined in § 40-360.21, does not include:

1. Recovery of material from the bottom of the borrow ditch at a depth beyond the depth established when the borrow ditch was originally constructed or subsequently reconstructed to accommodate a newly installed underground facility.

2. Grading which progressively reduces the elevation of the roadway surface.

3. Grading of the sub-base of the roadway.

4. Any other activity that intrudes on the sub-base of the roadway.

D. If the state or a political subdivision performs any of the activities listed in subsection C of this section, the state or political subdivision shall be required to comply with the notice provisions required for excavation under § 40-360.22.

§ 40-360.32 One-call notification center membership

A. Every public utility, municipal corporation, underground facility owner or person having the right to bury underground facilities shall be a member of a one-call notification center, either statewide or serving each county in which such entity or person has underground facilities. Each one-call notification center shall establish a limited basis participation membership option, which may be made available to all members, but which must be made available for any member serving less than one thousand customers or any member irrigation or electrical district. A facility owner who elects limited basis participation membership will provide to the one-call notification center the location of its underground facilities solely by identifying the incorporated cities and towns, or for unincorporated county areas, by identifying the townships, in which it has facilities. The service level provided to limited basis participation members by the one-call notification center is limited to providing excavators with names and telephone numbers the excavator should contact to obtain facilities location. Each one-call notification center shall establish fair and reasonable fees for limited basis participation members, based on customer count, areas occupied or miles of underground facilities.

B. This section does not apply to an owner or occupant of real property where underground facilities are buried if the facilities are used solely to furnish services or commodities to that property and no part of the facilities is located in a public street, alley or right-of-way dedicated to public use.

R14-2-106. Commission color code to identify location of underground facilities

A. If the location of an underground facility is marked with stakes, paint or in some customary manner pursuant to A.R.S. 40-360.21.11, the facility owner will use the following color code:

Facility Type	Specific Color
Electric Power Distribution and Transmission	Safety Red
Gas Distribution and Transmission Oil Product Distribution and Transmission; Dangerous Materials, Product Lines	High Visibility Safety Yellow
Telephone and Telegraph System; Cable Television	Safety Alert Orange
Fiber Optics Communication Lines	The Letter "F" in Safety Alert Orange
Water Systems; Slurry Pipelines	Safety Precaution Blue
Sanitary Sewer Systems	Safety Green

B. These colors shall be restricted to the location of underground facilities.

ONE CALL SYSTEM PENALTIES

Mr. **Wolf**. This is certainly not a partisan issue, and it ought to be very easy to do, because we have had a problem in Virginia. It seems more than most areas, maybe not, but maybe I just read about them——

Mr. **Tenley**. It is not unique.

I just wanted to clarify one thing you said earlier. The reason that we in the Office of Pipeline Safety and the Research and Special Programs Administration and the Department of Transportation believe that we should not be involved with the excavation side of this is, we would be involved with literally thousands and thousands of excavators.

Mr. **Wolf**. I understand that.

Mr. **Tenley**. That is important.

Mr. **Wolf**. Let me make the point, though, that you didn't really answer——

Mr. **Tenley**. I am sorry.

Mr. **Wolf**. That is the penalties. I tend to think you ought to think about it and just submit an answer for the record.

Mr. **Tenley**. I can give you an answer and embellish it. We have a rulemaking now that will require all interstate operators to belong to One Calls in any State or area in which they operate. Should they not participate, should they not heed a One Call call, the fine is $25,000.

Mr. **Wolf**. So you are changing your mind a little bit on this?

Mr. **Tenley**. We have always taken action against those people we regulate. The problem with One Call, what One Call lacks today is in the State laws, who is in One Call and who isn't. For example, in many jurisdictions electrical utilities are not in. In the vast majority of jurisdictions, the State highway department or county road departments are not in One Call.

So those are the kind of issues we are trying to confront from a national "bully pulpit", if you will; some of the approaches that Ms. McMurray mentioned. We see it as one of the major solutions of the problems we discussed here today.

Mr. **Wolf**. I would think so, because most spills seem to be caused from somebody hitting the pipeline.

Mr. **Tenley**. That is right, exactly right. It is the single leading cause of pipeline failure in the United States.

TRUCK RADAR DETECTION BAN

Mr. **Wolf**. Just two last issues. Radar detector bans on trucks with hazardous materials. Any indication that the use of radar detectors on the trucks to avoid——

Ms. **McMurray**. I tend to believe that is a question that the Federal Highway Administration Office of Motor Carriers could answer, but maybe Al Roberts is aware of——

Mr. **Wolf**. Are there any restrictions? Would a truck driver carrying hazardous material have the legal right to have a radar detector in his cab?

Ms. **McMurray**. I think it depends upon State law.

Mr. **Wolf**. There are only two State laws that ban detectors.

Ms. **McMurray**. That ban——

RADAR BAN ON TRUCKS CARRYING HAZARDOUS MATERIALS

Mr. **Wolf**. Virginia and Connecticut. In Connecticut they are ready to repeal it.

Ms. **McMurray**. We can ask the Federal Highway Administration to furnish that for the record.

[The information follows:]

The Federal Highway Administration published a notice of proposed rulemaking on January 24, 1992, which proposed banning radar detectors from all commercial motor vehicles, including carriers of hazardous materials. Further action will be determined based on the review of the comments.

Mr. **Wolf**. Would it trouble you if a truck carrying hazardous materials had a radar detector in the truck so it could go faster?

Ms. **McMurray**. Certainly I think it is a matter of compromise of public safety, if a truck driver is exceeding the speed limits carrying potentially hazardous cargo.

Mr. **Wolf**. Can you think of any other reason to have a radar detector in the truck?

Ms. **McMurray**. I don't know of anything other than trying to evade the posted speed limit.

Mr. **Wolf**. And to evade the posted speed limit would be dangerous?

Ms. **McMurray**. One would think so.

Mr. **Wolf**. Would it be logical to at least prohibit trucks that carry hazardous materials from carrying radar detectors in them?

Ms. **McMurray**. It certainly bears analysis and review, and I would be happy to pass that along to the Federal Highway administrator.

VOLPE CENTER STAFFING

Mr. **Wolf**. If you could do that in the last week before we mark up, I would appreciate it.

The Volpe Center, Dr. John, in your OMB submission for fiscal year 1994, did you request an increase in the staff cap, and if so, for how many full-time employees?

Mr. **John**. No, we did not.

Mr. **Wolf**. And your budget request calls for no new additional employees?

Mr. **John**. That is correct.

Mr. **Wolf**. Is it correct that for the past 10 years the Volpe Center has been meeting a 25 percent per year increase in research workload with virtually no increase in government employees by contracting out?

Mr. **John**. Yes, sir.

Mr. **Wolf**. Are you turning away any research projects?

Mr. **John**. Yes, sir. What we are doing differently from the past——

VOLPE CENTER WORKLOAD

Mr. **Wolf**. What kind of projects have you turned away? Insignificant, irrelevant projects that don't make any sense, or ones——

Mr. **John**. No. The way it works is, we do a lot of the front-end work and strategic planning for what we call our clients, be it in

DOT or outside of DOT. In many cases, they ask us to implement these projects.

For example, we could look at an enterprise and we would help them think through where they are going and then begin to apply information technology to help them achieve their goals. That would then involve a lot of information software development which we would then give to contractors.

We no longer have enough people to monitor the increasing request for that sort of activity, so we are turning away some of those opportunities for implementation of management support systems.

The other thing that is happening at the center, is that we increasingly are being asked to do front-end work and assessment activities, and that is causing us to do work that is much more "hands-on" using civil servants. We now contract out about 80 percent of our work, and I don't think it is responsible to contract out much more.

This past year, for the first time in a number of years, our new obligation authority has declined. It went down by 15 percent or $30 million.

Mr. WOLF. So you wouldn't be upset if we were to ease the staffing constraints at Volpe, because that would be revenue neutral, basically?

Mr. JOHN. Yes, sir.

Mr. WOLF. Yes, sir, you would be upset?

Mr. JOHN. Rose, I defer to you on that.

Ms. MCMURRAY. Thank you.

Mr. WOLF. You have already answered.

I have no further questions.

DEFENSE CONVERSION

Mr. CARR. Thank you, Mr. Wolf, for those excellent questions.

We are going to ask you a lot of questions for the record in the interest of time. The subcommittee has an important meeting shortly. We will get as far as we can.

I have a number of issues I want to raise with you, though, in an engineering sense. One is not even a question. It is more in the nature of a little sermonette, to see if I can find any supporters, or just in the way of food for thought.

I happen to be a Member of Congress who is a little disturbed about the rhetoric of defense conversion. It seems to me that our economy is undergoing wholesale restructuring, and that defense is only part of that. The good folks who have been part of the defense establishment—civilian and contractors whose services are no longer needed—need to think about their economic strategies in the future. It may well be the government ought to help plan those strategies for the future.

As a Member of Congress from Michigan who has witnessed what has happened to the restructuring of the automotive industry for the last 10 years, it bothers me that no one was talking about automotive conversion. And now suddenly we are talking about defense conversion. I think rather than get into a fight over who got what, when and where they got it, what we really ought to understand is that we are undergoing economic conversion, for which there ought to be a benefit.

There may be automotive technologies which are no longer productive in the automotive or transportation world but which are beneficial in some other mode.

So, I would just hope, as food for thought, and I am going to try to stress this with the White House as well, that from the standpoint of those of us who were not in a defense-intensive area but who saw massive loss of jobs and technology, we ought to be talking about economic conversion to help strategize for the future for everyone, not just those who happen to have good jobs in the Defense Department. I am sorry to see those jobs run out.

I had an opportunity to talk to some of the defense industry representatives in town not long ago, and I also found that they weren't terribly persuaded by the defense conversion talk. I was surprised to hear that. They basically said any corporation who couldn't have seen this coming and who couldn't have planned for the future didn't deserve much help. They were pretty free market about it.

One technical issue I wonder if you have been asked about at the Volpe Center is the problem that I have been pursuing for the last two years before the subcommittee, but principally with FAA. This is a nasty little technical problem. It may not even be a technical problem. It is more in the area of technology access, which I assume is part of your job.

Mr. JOHN. Yes, sir.

USE OF CELLULAR PHONES IN AIRCRAFT

Mr. CARR. This issue is the use of electronic devices, particularly cellular phones, in aircraft. Have you had a chance to look at that at all?

Mr. JOHN. We have not, but we have looked at that problem in other areas, and we do have the capability to look at that problem with regard to aircraft.

Mr. CARR. I would like to talk with you a little later on, but, for the record, two years ago the FAA asked the FCC to promulgate a rule prohibiting the use of cellular phones in aircraft.

My other subcommittee on the Appropriations Committee is the Subcommittee on Commerce, Justice, State, and Judiciary. I am the Vice Chairman on that subcommittee, and it appropriates funding for the FCC. The FCC basically said, we see no reason from a technical standpoint to issue a rule, but if you want us to, you are the FAA and we are not going to quarrel with you over issues of airline safety.

So, the issue became one of deference to an agency, until I got into the act. I thought if there was no particular reason to do so, why would you accede to the FAA's request? Well, the answer was, you don't quarrel with the FAA when it asks for something.

We took some technical people to talk to FAA people, and the FAA, in fact, has backed away from that request. It turns out the FAA had been requested to promulgate such a rule largely from the airlines. The FAA bumped it back down and said, We see no technical reason to do this.

We appropriated some money to conduct a study to find out fact from fiction, on whether cellular phones do, in fact, cause interference problems. The threshold information from experts seems to be that the cellular phones would not cause a problem. All 200 passengers would have to use a cellular phone at once to possibly have an impact.

Nonetheless, just to make sure that there were no conflicts and to separate out fact from fiction, we commissioned a test. The test still has not been completed. Apparently, they are in the process of establishing the advisory committees' panels and protocols to do such a test. It would be a cooperative test between the airline and aviation industry, the FAA and the FCC, and the electronics industry.

As I understand it, what they have proposed is to find a commercial aircraft which is used on a ferry flight, probably because it already has some maintenance deficiency that won't allow it to carry passengers and it has got to get back to a maintenance base, to conduct the test.

Mr. CARR. I would appreciate it if the Volpe Center would get up to speed on what is happening with FAA, FCC, and the two industries involved, to make sure that you are represented there so that you are able to ask questions from them and answer questions from us about how the test was performed and what it means.

Mr. JOHN. May I ask one question? To whom did you give the funding?

Mr. CARR. FAA.

Mr. JOHN. Thank you.

EMF SIGNALS CAUSING IN-FLIGHT PROBLEMS

Mr. CARR. Basically, we want to know the truth. Now major airlines are making pre-flight announcements that are designed to scare people. If junior pulls out his pocket Nintendo, he is about to blow the plane up or something, you see. It seems to me that some of this is driven by the pilot community.

I am a pilot myself and I know about pilot's fears of non-TSO equipment operating in their aircraft. That is something you are told about when you first learn to fly. It is something that hangs with you. However, very few pilots are radio engineers and even know how the equipment they are operating even functions, so they are hardly the experts.

I think this folklore has gotten out of hand. We have people who are making investments in laptops which give off RF signals. In fact, I think some of them or at least some of the earlier ones gave off more RF than cellular phones did.

I am just interested that Volpe be in the loop so that we can get your assessment on whether the test procedures were valid, that the results are such that we can have confidence in them. I am interested in not only Volpe's assessment of the substance of the results but also the process by which they were achieved.

Mr. JOHN. We will do that.

[The information follows:]

We have been supporting the FRA and FTA with measurements of electromagnetic fields (EMF), primarily at power frequencies and their harmonics, but we have also performed electromagnetic and compatibility (EMI/EMC) testing of new transportation systems (e.g. transit, maglev, and TGV).

The resolution of questions about interference between such devices as you have mentioned and aircraft electronic systems does not lend itself readily to theoretical predictions, but rather, is best dealt with empirically through a well-planned program of actual measurements.

The FAA has asked the Department of Commerce National Institute of Standards and Technology (NIST) to survey the aircraft electromagnetic environment, but Volpe Center staff could, if requested, assist the FAA to ensure that appropriate tests are performed.

UNIVERSITY RESEARCH CENTERS

Mr. CARR. Let me ask you about university research centers. We have a lot of them and we are seemingly getting a lot more. One Member of Congress gets a university center and suddenly 15 other ones have to have them. Are you at all concerned about the proliferation of university centers in the DOT budget?

Ms. McMURRAY. Each of our University Research Centers, of which there are 13 UTCs and five University Research Institutes, have specific goals and specific areas of research that they have been expected to perform.

The UTCs, one of which includes University of Michigan, are responsible for encouraging careers in transportation, for people interested in having transportation as a career field, including advanced degree holders.

There is also a requirement that the UTCs have a project plan which the department approves and which we monitor through site inspection and through reports, and we also have benefited from some of the surface transportation reports that those UTCs have provided to us, and we share with the academic community as well as the research community the results of those efforts.

With the five University Research Institutes, each of those are assigned a specific area of endeavor, and these are fairly new and we haven't developed enough performance measures for their output as yet but we hope to do that.

But we believe we are getting a benefit from this $20 million investment per year, particularly as it advances interest in academia of students having a career interest in transportation because there had been a dearth of individuals wanting to make transportation their career, and we believe that the effectiveness of the transportation system in the future really depends upon having trained, interested people pursuing those careers.

Mr. CARR. Is RSPA the agency that is responsible for coordinating all of this?

Ms. McMURRAY. Yes, we do.

Mr. CARR. Does that include the Airway Sciences Program under FAA?

Ms. McMURRAY. No, sir, as part of the R&D Coordinating Council which we discussed earlier, we are expected to coordinate all of the university research efforts throughout the department, but RSPA has authority for the university transportation centers, of which there 13 UTCs and five University Research Institutes, and we do that on behalf of Federal Highway and Federal Transit Administration. They are the actual funding mechanisms for those programs and we administer those programs on their behalf. But we do in fact——

Mr. CARR. Similarly, wouldn't it be a good idea to put all those university research programs into your bailiwick and take them out of the modal administrations?

Ms. MCMURRAY. Again, I think that——

UNIVERSITY OVERHEAD RATES

Mr. CARR. I just want to tell you of my concern about the university research programs. It seems to me that at least this Member of Congress doesn't have a lot of confidence in the cost-benefit ratios of their research. I see a lot of it being politically determined. Some of it may have an economic benefit, but I would assume that that is largely coincidental. We have asked the General Accounting Office to examine this issue. The problem may be my own lack of understanding. I fully admit that. I am not in a position to make any charges at this point.

One thing that does bother me, however, is the degree to which universities charge overhead. DOT is rarely the lead agency to negotiate the overhead charges with the universities under the scheme that the government has for deciding what overhead charges are appropriate. We have asked the General Accounting Office to look very hard at this because it seems to me, frankly, that the proliferation of research centers becomes an issue in and of itself if we are spending more of our dollars on overhead and fewer of our dollars on research or training. If the overhead issue becomes large enough, we would be better off terminating some of these institutions to consolidate the research at a fewer number, perhaps on a competing basis, not on the basis of what faculty member happens to live on or be at your campus, but what institution is willing to give us the best break on overhead.

Ms. MCMURRAY. I think such an audit would be very helpful in pointing out reforms that may be necessary in administering the program. We have had a departmental inspector general report on the UTC programs, of which findings suggest that there need to be slightly more analysis of output of the university centers, but all in all.

There appear to be a positive benefit to transportation from the existence of these centers, but I think a GAO report looking at the funding issue and the way overhead rates are calculated would be a very good use of their time.

PROPER USE OF UTC RESEARCH FUNDS

Mr. CARR. And as you point out, the IG stated that DOT had only limited assurance that the lead schools were operating as regional transportation centers, that the research conducted was effective, and that 5 percent of the funding was spent on technology transfer.

I just think that this entire university research program needs to be tightened up a good bit. I would feel much more comfortable if these institutions, having demonstrated some excellence beyond political excellence in getting on the list, were tightly controlled and directed from DOT rather than ending up being essentially higher educational revenue sharing to those universities who were politically smart enough to get themselves on a list.

Ms. McMurray. I would point out there have been some reforms made in the program in the last few years including establishing specific program goals that each of the university centers need to achieve, and there is definitely more that needs to be done in insuring that there is a payoff for funding these programs, but I believe we have tackled the issue. We are incrementally improving the program.

UTC FUNCTIONAL ACTIVITIES

Mr. Carr. Again, the centers seem to have two main functions: one is research and the other is training. This Member of Congress is far more interested in the R&D aspects than I am in the training aspects.

We have by and large a deregulated transportation structure where the marketplace is being asked to make a lot of these decisions. I would think that, unless you could demonstrate through some fairly accurate, auditable data that there were critical skill shortages that were impeding the development of a national transportation network, it is not really the job of the Federal Government to train people to go make money in the private sector.

Now, States may want to pick up that function. That traditionally is a State role. States have universities, colleges, and community colleges to prepare people for all manner of vocations. I think that is fine. I think they should. But, in my scheme of things, in this Federal system of ours, I don't see it as DOT's responsibility to ensure that there be skills that are not critical to the national transportation network.

A good example of a program that is critical would be the program that this subcommittee has been supporting with regard to the training of air traffic controllers, where the Federal Government, at least under our current organizational scheme, is the only employer for those types of individuals except for a few private contractors.

Since the government is the only employer and has an interest in the capability of a steady stream of supply to that critical task, it would seem to me the Federal Government should have a direct training role where we have the academy in Oklahoma City. To the extent that we don't want to operate educational institutions, we might get some colleges and universities involved in that type of training.

On the other hand, I had a proposal the other day from Michigan. Somebody wanted me to put a new training program on your list for pilot training. It seems to me that pilot training can be handled either in private industry or at the State level. It is not DOT's responsibility to assure a steady stream of federally funded pilots.

I know that there are some people who make the argument that because most pilots get their training in the military and the military is scaling back, down the road we are going to have a critical pilot shortage and it is the Federal Government's problem. I think pilot salaries are quite adequate. There is quite enough incentive.

Can you give us a census that says that these training programs are, in fact, filling critical needs, needs that can't be fulfilled in any other way, and that DOT absolutely has to fund programs to train people to maintain the national network of transportation?

Ms. McMurray. I think it would be a worthwhile review and I believe it is appropriate for us to launch such a review.

I might just mention one of the reasons that the whole issue of transportation as a career field was part of the original university transportation centers' program that had to do with the dearth of that kind of curriculum in these universities. There were very few universities offering degrees in transportation management and developing the transportation professionals of the future.

Now, this program had as one of its goals to create that opportunity for universities to develop those programs and those degree programs. And again, if one looks at the interest of the Federal Government to form partnerships with States and industries and local governments in advancing the transportation system and improving it, one would hope that on the other end of that equation are trained professional transportation experts who in many ways become the agents of Federal Government's interest in improving the transportation sector.

DEVELOPMENT OF RURAL TRANSIT MANAGEMENT CURRICULUM

Mr. Carr. Let me ask you about one program because, again, I had some folks from my State come and see me. They were anxious to get some money to Central Michigan University. Their niche proposal was focused on how small rural transit systems don't have the managerial skills and talent to wisely spend Federal money, and, so, we need a management school at Central Michigan University that would be the preeminent school in the nation for small rural transit management.

Would you look into that and report back to me? If there is a critical need there, perhaps I steered somebody away from you needlessly. On the other hand, if there isn't a need in that area, perhaps I did the right thing.

Ms. McMurray. I know the Federal Transit Administration works very closely with these transit operators and I certainly would be happy to speak with them about this need that Central Michigan has identified.

VOLPE CENTER—NON DOT CLIENTS

Mr. Carr. I am frequently proven wrong. One of the beautiful things about being a Member of Congress and having wonderful hearings like this is that you learn a lot of things you never knew, if you have the wisdom to admit that. So perhaps you can tell me something.

My last question is to you, Dr. John. I am a little concerned about the non-DOT clients that Volpe has and whether you are getting reimbursement for that work. Is DOT subsidizing other areas of endeavor that have little to do with transportation?

Mr. John. To answer the second part first, I can say unequivocally that DOT is not subsidizing non-DOT customers other than insofar as we are using FTE billets which are in DOT for that, but in terms of paying and all the rest, our non–DOT customers are paying.

I think this is a policy question and that it would be worthwhile getting your sense on this. What we have found is that a lot of the things that we are doing with regard particularly to the application of information, computer, and display technology in transportation are applicable to our non-DOT customers. We have skills in these areas, and are actually saving our non-DOT customers money, taxpayer's money, and not costing DOT anything other than the fact there may be an opportunity cost in using DOT FTE to service the non-DOT customers.

Mr. CARR. Well, the other side of the coin is that the work you do for non-DOT clients may end up taxing your workload to the point where you end up turning away DOT business.

Mr. JOHN. Which we will avoid at all costs.

Mr. CARR. All right. We have some questions about the electronic tariff program, the global positioning satellites and aviation statistics. I wanted to get into all of those on the record, but we have run out of time. Mr. Delay, do you have any questions?

Mr. DELAY. No questions, Mr. Chairman.

Mr. CARR. Mr. Price.

Mr. PRICE. No, Mr. Chairman.

NTSB OPEN-UNACCEPTABLE ACTIONS

Mr. CARR. Please provide a summary of each NTSB recommendation made to RSPA which is still classified as "open-unacceptable action", similar to the data provided on pages 359–362 of last year's hearing record. For each, explain why you have not taken action acceptable to the NTSB. Group these recommendations separately for hazardous materials, pipeline safety, and other.

[The information follows:]

HAZARDOUS MATERIALS SAFETY

There are three NTSB hazardous materials recommendations that are classified as "open-unacceptable action". These recommendations are complex and involve the consideration of more than one option to ensure that they are cost-effective. The NTSB does not have a cost/benefit analysis capability or experience in some of the operational factors involved and relies on the Federal agencies to examine these considerations. In these cases an open dialogue between the two agencies is both necessary and expected, and is underway for these three recommendations.

The following is a description of the hazardous materials recommendations that are classified as "open-unacceptable action" by NTSB, along with RSPA's actions and plans to have them reclassified.

NTSB Number	Description
R-87-17	Change the wording in 49 CFR Part 174 addressing car placement from "occupied caboose" to "end of train".
H-89-36	Delete provisions in the Federal Motor Carrier Regulations that permit certain vehicles to cross industrial grade crossings without stopping.
H-92-01	Provide cargo tank manufacturers with specific technical guidance for a) calculating load factors and b) designing rollover protection shields for bulk liquid cargo tanks.

R-87-17 The NTSB believed that a simple word change would address the issue. However, the issue is complex and requires examination of the total train placement issue and related economic and operational implications. RSPA and Federal Railroad Administration (FRA) have been preparing an advance notice of proposed rulemaking (ANPRM) which we believe is responsive to the intent of the recommendation. Because of the regulatory moratorium and higher priority rulemakings dealing with rail tank car safety, the ANPRM will not be completed for publication in the Federal Register until the last quarter of FY 1993.

H-89-36 Representatives from RSPA, the Federal Highway Administration (FHWA) and FRA have been working to develop a suitable resolution to the issues involved. Analysis of the industrial grade crossing accident data indicates that accidents over the last 15 years have been declining steadily. In five of the last ten years there were no industrial grade crossing accidents involving hazardous materials. RSPA, FHWA and FRA believe the evidence does not warrant a change to current regulations. RSPA plans to submit these data to the NTSB soon and request that the recommendation be classified as "Closed-No Longer Applicable".

H-92-01 The information required to respond to this issue is very technical and complex. Consequently, RSPA believes that industry must be involved in developing the specific technical guidance required to enhance its acceptance and implementation by industry. RSPA is working with the Truck Trailer Manufacturer's Association (TTMA) in developing the basic guidelines to be used in this alternate approach to the recommendation. A letter explaining this approach and requesting reclassification to "Open-Acceptable Alternative Action" is now under review by the NTSB.

PIPELINE SAFETY

P-78-024 Emergency valves. P-78-024 recommends that RSPA amend the pipeline safety regulations to specifically define the requirements for location and number of emergency valves. RSPA does not think specific requirements can be developed to apply to all the varying types of existing gas distribution systems. Moreover, correlation is uncertain between the prevention of gas explosions after a reported gas leak and the spacing of valves as needed to isolate a leak site. Without definite correlation, proposals for more specific standards cannot realistically be shown to contribute to public safety or balance the costs involved. In a meeting October 29, 1992, NTSB staff said that, at a minimum, an advisory bulletin on valve location/spacing should be issued and be made part of the compliance program. RSPA will prepare an advisory bulletin for issuance late in 1993 and for adoption as needed into the compliance program.

P-87-002 Annual qualification of employees. P-87-002 recommends that gas and hazardous liquid pipeline operators be required to annually qualify employees on correctly carrying out assigned responsibilities necessary for complying with the pipeline safety standards in 49 CFR Parts 192 and 195. The Pipeline Safety Act of 1992 requires that regulations covering qualification/certification be established. On January 26, 1993, NTSB reclassified this recommendation "open - unacceptable response," following an explosion resulting in four fatalities, four injuries, and 14 damaged houses. NTSB attributed the cause of the accident to the failure of the gas company to adequately train its gas operations employees in recognizing and correctly responding to abnormal situations. NTSB stated the need to improve employee training is a national problem and thus reiterated the recommendation. Work on the NPRM had been deferred under President Bush's regulatory moratorium and review. With legislation now mandating this rulemaking, work is proceeding on a priority basis.

P-87-006 and P-87-007 Use of Internal Inspection Equipment. P-87-006 and P-87-007 require pipeline operators to facilitate the use of internal inspection equipment (pigs) on repaired or modified pipeline systems as well as on new pipelines. NTSB recently changed the status of these recommendations to "unacceptable" since the recommendations are over 5 years old. RSPA issued an NPRM November 20, 1992, proposing regulations requiring that new and replacement gas transmission lines and new and replacement hazardous liquid pipelines and certain carbon dioxide pipelines be designed and constructed to accommodate the passage of smart pigs.

P-87-023 Intervals between Hydrostatic Retests. P-87-023 recommends that RSPA revise its regulations to include operational-based criteria for determining safe service intervals for pipelines between hydrostatic retests. RSPA does not believe it is appropriate to require all operators to hydrostatically test their pipelines periodically to prevent failures caused by crack growth from fatigue. Once a pipeline has undergone a hydrostatic test of proper level and duration, experience shows that further tests may not be necessary. Moreover, available data would not support a positive cost-benefit ratio, further negating the chance for a viable rulemaking necessary to implement NTSB's recommendation. In a meeting October 29, 1992, RSPA and NTSB agreed to further discussions of this issue at the staff level.

RULEMAKING PROCESS SCHEDULE

Mr. CARR. Please provide a chart which shows the number of months it took to reach each major stage of the rulemaking process (e.g. ANPRM, NPRM, final rule) for each of RSPA's rulemakings completed over the past two years.

[The information follows:]

HAZARDOUS MATERIALS SAFETY

HM Docket Number	Rulemaking Description	Date Federal Register	Status	Months To Complete
HM-23	Project initiated	4/68		
	Spec. 8BW Cyl	04/23/69	NPRM	12
	for Acetylene	05/29/69	NPRM	
	Withdrawal	08/19/69	NPRM	
	Periodic Inspection	06/14/90	NPRM	
	and Requalification	11/12/91	FR	17
HM-126F	Project initiated	7/88		
	Training for Hazmat	07/26/89	NPRM	12
	Workers	08/15/89	Notice	
		05/15/92	FR	34
	Correction	05/27/92	FR	
	Response to Petitions	01/22/93	FR	8
HM-139H	Project initiated	2/89		
	Air Bag Inflators	02/26/90	NPRM	12
	& Modules for	01/16/92	FR	25
	Restraint System			
HM-142A	Project initiated	11/87		
	Etiologic Agents	11/10/88	NPRM	12
		01/03/91	FR	37
	Delay Eff. Date	02/22/91	FR	1
HM-149F	Project initiated	12/87		
	Exceptions for RAM	12/12/88	NPRM	12
		04/13/89	FR	4
	See HM-207	02/28/91	FR	22
HM-181	Project initiated	10/80		
	Performance-oriented			
	Packaging	04/15/82	ANPRM	18
	Correct-Ind. Mtg.	06/15/82	ANPRM	
	Extend-Comm.	09/16/82	ANPRM	
		05/05/87	NPRM	61
	Correct-Ext. Comm.	09/08/87	NPRM	
	Correct-Supp. Prop	11/06/87	NPRM	
	Extend-Comm.	04/14/88	NPRM	
	Supp. Toxic Gases	11/14/88	NPRM	
	Supp. Anhy. Amm.	07/26/89	NPRM	
	Reopen Comm. Period	11/24/89	NPRM	
	Consolidated FR	12/21/90	FR	43
	(HM-181A,B,C,D,204)			
	Transition Ext.	09/18/91	FR	
	Infectious Sub Ext	10/01/91	FR	
	Corr./resp. to Pet	12/20/91	FR	
	Corrections - Misc.	10/01/92	FR	
	Corrections - Inf. Sub.	10/01/92	FR	
	Corrections - Inf. Sub.	10/16/92	FR	
	Corrections	12/15/92	FR	
	Extend. - Inf. Sub.	03/03/93	FR	27
HM-183/ 183A	Project Initiated	1/81		
	Design/Maint./Test			
	for MC-306 Cargo Tanks	06/28/82	ANPRM	
	Requirements for	09/17/85	NPRM	39
	Cargo Tanks			
	Corrections	12/05/85	NPRM	
	Corr/Ext. Comments	01/23/86	NPRM	
	Not. Pub. Hearing	02/18/86	NPRM	
	Not. of Meetings	03/04/87	NPRM	
		06/12/89	FR	45
	Corrections	07/07/89	FR	

HM Docket Number	Rulemaking Description	Date Federal Register	Status	Months To Complete
HM-183/ 183A cont.	Delay, Not. of Meet	09/15/89	FR	
	Ext. of Eff. Date	12/06/89	FR	
	Ext./Pet. Response	05/22/90	FR	
	Resp. to Petitions	09/07/90	FR	
	Correction	06/17/91	FR	
	Delay Compl. Date	01/06/92	FR	
	Extend Compl. Date	03/08/93	FR	45
HM-198A	Project initiated	9/88		
	Elev. Temp. Mat'ls	09/21/89	NPRM	12
	Comment Extension	11/15/89	NPRM	
		10/02/91	FR	28
	Delay Compl. Date	12/31/91	FR	
	Response to Petitions	01/08/93	FR	15
HM-204A	Project initiated	11/89		
	Revocation of	05/21/90	NPRM	6
	46 CFR Part 146	01/29/91	FR	8
	(Associated w/HM-181)			
HM-207	Project initiated	10/90		
	Amendments to **Procedures and Regulations**	02/28/91	FR	4
HM-207A	Project initiated	11/90		
	Preemption Stds. and	08/01/91	NPRM	9
	Process Revisions	05/13/92	FR	9
HM-208	Project initiated	11/90		
	Registration of	10/10/91	NPRM	11
	Shippers and Carriers	11/07/91	NPRM	
		07/09/92	FR	8
	Clarification	07/28/92	FR	
	Response to Petitions	08/21/92	FR	
	Tech. Revision	03/05/93	FR	8
HM-209	Project initiated	11/90		
	Public Sector Training	03/02/92	NPRM	16
	and Planning Grants	09/17/92	FR	6
HM-210	Project initiated	2/91		
	Clar. of Rqmts for Ltd. Qty. Comp. Gases	10/28/91	FR	8
HM-211	Project initiated	9/91		
	Marine Pollutants	01/31/92	NPRM	4
	Comment Extension	02/27/92		
		11/05/92	FR	10
	Correction	11/16/92	FR	1
HM-214	Project initiated	8/92		
	Oil: Spill Cont. and Response Plans	02/02/93	FR	6
	Comment extension	04/20/93		2
HM-215	Project initiated	6/92		
	IMO/ICAO Incorporation by Reference	12/22/92	FR	6

PIPELINE SAFETY

Rulemaking Title	ANPRM	NPRM	Final Rule
Inspection and Burial of Offshore Pipelines	-	5 mo.	7 mo.
Amendment of Operator Plans and Procedures	-	6 mo.	18 mo.
Transportation of Carbon Dioxide by Pipeline	-	12 mo.	18 mo.
Control of Drug Use in Natural Gas, Liquefied Natural Gas, and Hazardous Liquid Pipeline Operations; Modification of Implementation Date	-	-	4 mo.
Allocation Formula for State Grants	6 mo.	12 mo.	12 mo.
Update of Standards Incorporated by Reference	-	-	12 mo.
Response Plans for Onshore Oil Pipelines	-	-	5 mo.

AIRLINE STATISTICS

Rulemaking Title	ANPRM	NPRM	Final Rule
Confidentiality of schedule T-100 Submitted by U.S. Large Certificated Air Carriers			19 mo.
Replace Schedule B-12 with Statement of Cash Flow, Increase Revenue Levels for Reporting, etc.		6 mo.	12 mo.
Direct Airport-To-Airport Mileages (editorial amendment)			1 mo.

PRIORITY RSPA RULEMAKING DATA

Mr. CARR. Please update the hazardous materials priority rulemaking data shown on pages 304–307 of last year's hearing record.

[The information follows:]

The following is an update of RSPA's priority rulemaking data for FY '93.

RSPA PRIORITY RULEMAKINGS

Rulemaking Project	Summary	Current Status
Performance-oriented Packaging Standards (Docket HM-181)	Revises the classification system and develop performance packaging standards based on the Recommendations of the United Nations Committee of Experts on the Transport of Dangerous Goods.	A final rule was published 12/21/90, effective 10/30/91. Over 250 petitions for reconsideration were received. Final rule clarifying effective dates 9/18/91. Extension of effective date for infectious substances 10/1/91. Final rule responding to petitions and corrections published 12/20/91. Miscellaneous corrections published 10/1/92 and 12/15/92. Infectious substance corrections and extension of compliance date published on 10/1/92, 10/16/92, and 3/3/93. No further action anticipated under this docket.
Training for Hazardous Materials Transportation (HM-126F)	Proposes to adopt training requirements for all persons involved in the transportation of hazardous materials.	NPRM published 7/89. Final action delayed for evaluation of HMTUSA requirements. Final rule published 5/15/92. Correction published 5/27/92. Response to petitions published 1/22/93. No further action anticipated.
Compatibility with IAEA Regulations for Radioactive Materials (HM-169A)	Proposes to update radioactive materials requirements based on current Safety Series #6 of the IAEA.	NPRM published 11/14/89. Final rule anticipated.

Elevated Temperature Materials (HM-198A)	Regulates materials which pose a thermal hazard due to being transported at elevated temperatures.	NPRM published 9/21/89. Over 50 comments received. Final rule published 10/2/91, effective 3/20/92. Delay of compliance date published 12/31/91. Response to petitions published 1/8/93.
Hazardous Materials in Intrastate Commerce (HM-200)	Proposes to extend the applicability of the HMR to the transportation of Hazardous Materials in wholly intrastate commerce.	ANPRM published 1987. HMTUSA, Sec. 5 clarifies the statutory authority regarding the applicability of the HMR to intrastate transportation. NPRM anticipated.
Detection of Tank Car Defects (HM-201)	Proposes to require railroad tank car owners and repair facilities to inspect tank car tanks for cracks after repairs.	ANPRM published 12/87. Regulatory evaluation and NPRM being developed by FRA.
Tank Car Head Shield and Thermal Protection (HM-175A)	Proposes to require head shields and thermal protection on tank cars for inhalation toxic materials.	ANPRM published 5/15/90. Supplemental notice published 8/22/90. Draft NPRM under development by FRA.

Registration and Fee collection (HM-208)	To implement HMTUSA mandate to register offerers and transporters of certain classes of hazardous materials.	HMTUSA, Sec. 8, requires that offerers and transporters of certain categories of hazardous materials file a registration statement by 3/31/92. NPRM published 10/10/91. Three public hearings held. Comment period closed 12/9/91. More than 160 comments received. Final rule published 7/9/92. Clarification published 7/28/92. Response to petitions published 8/21/92. Technical revisions published 3/5/93.
Improving Hazardous Materials Identification Systems (HM-206)	To determine methods of improving the current system of placarding vehicles transporting hazardous materials and improving other identification systems.	HMTUSA, Sec. 25(a) requires initiation of a rulemaking to evaluate methods of improving system of identifying hazardous materials and safeguard health and safety of emergency responders. ANPRM published 6/9/92. NPRM anticipated.
Central Reporting System and Computerized Telecommunications Data Center	To evaluate the feasibility, necessity, and safety benefits for establishing a central reporting center and computerized telecommunication data center to receive, store, and retrieve data concerning shipments of hazardous materials being transported by all modes.	HMTUSA, Sec.25(a), requires completion of rulemaking by 6/16/92. Addressed in HM-206 ANPRM published 6/9/92.

Amendments to Hazardous Materials Program Procedures (HM-207A)	To amend the Hazardous Materials Regulations to establish a new preemption standard for State, political subdivision, or Indian tribe. To streamline the preemption and waiver of preemption determination processes.	HMTUSA, Sec. 4, revised section 105 of HMTA to establish new procedures regarding preemption determinations. NPRM published 8/1/91. Final rule published 5/13/92.
Safeguarding Food from Contamination During Transportation (FS-1)	Requests comments concerning options relative to regulations to ensure that food and other consumer products are not made unsafe as a result of certain transportation practices.	The Sanitary Food Transportation Act of 1990 requires promulgation of regulations to promote safe transportation of food. ANPRM published 2/20/91. Comment period extended to 4/29/91. Numerous meeting held with other agencies. More than 110 comments received. NPRM anticipated.
Public Sector Training and Planning Grants (HM-209)	To implement a reimbursable grant program to enhance existing State and local hazardous materials transportation emergency response programs. Grants are mandated by HMTUSA.	NPRM published 3/2/92. Final rule published 9/17/92.
Marine Pollutants (HM-211)	To add materials identified as marine pollutants to the HMR as hazardous materials and to regulate classification, packaging, and identification of these materials.	NPRM published 1/31/92. Final rule published 11/5/92. Correction published 11/16/92.

Oil Spill Containment and Response Plans (HM-214)	To implement requirements of the Federal Water Pollution Control Act f 1990. Amends the HMR to implement minimum standards for the safe transportation of oil not previously regulated and require the preparation of response plans for preventing and responding to the discharge of oil.	Interim final rule published 2/5/93. Extension of comment period and announcement of public hearings published 4/20/93.
IMDG and ICAO Technical Instructions: Matter incorporated by Reference (HM-215)	To update the HMR to include the most recent amendments of the IMDG and ICAO Technical instructions.	Interim final rule published 12/22/92.
Intermediate Bulk Containers (HM-181E)	To adopt requirements for the construction, maintenance, and use of intermediate bulk containers for the transportation of hazardous materials.	NPRM published 8/14/92. Final rule anticipated.
Tank Cars and Cargo Tank Motor Vehicles: Attendance Requirements (HM-212)	To allow the use of signalling systems (sensors, alarms, electronic surveillance equipment) to satisfy the attendance requirements unloading tanks cars and for loading cargo tank motor vehicles.	NPRM published 9/14/92. Final rule anticipated.
Performance-oriented Packaging Standards (HM-181F)	To continue initiatives begun in HM-181, to address petitions for rulemaking, and make additional clarifications of the requirements.	NPRM anticipated.
Infectious Substance Requirements (HM-181G)	To consider revisions to the infectious substance provisions of the HMR.	ANPRM published 3/3/93. Public hearing held 3/17/93.

Cargo Tanks: Miscellaneous Requirements (HM-183C)	To amend certain requirements on the manufacture, qualification, and maintenance of cargo tank motor vehicles.	NPRM published 3/3/93. Public meeting held 3/24-25/93. Comment period closes 6/15/93.
Miscellaneous Amendments (HM-166X)	To eliminate petitions for rulemaking and make miscellaneous changes in the HMR to clarify and correct minor problems and errors.	NPRM published 8/7/91. Final rule anticipated.

REVIEW OF HAZMAT SHIPMENTS ON AIRPLANES

Mr. CARR. Last year, RSPA indicated that it would be assessing potential regulatory action pertaining to the transportation of hazardous material on airplanes. The NTSB has recommended that signs be posted in airports and in air freight facilities regarding regulations that apply to the transport of hazardous materials. What is the status of RSPA's review of this issue?

[The information follows:]

This issue was addressed in a notice of proposed rulemaking published August 7, 1991, under Docket HM-166X. A final rule is under development.

NTSB RECOMMENDATION ON CARGO TANKS

Mr. CARR. Last year, RSPA testified that it does not believe that the performance of rollover protection devices on cargo tanks carrying hazardous materials was a significant concern. However, NTSB seems to believe differently, and made a number of recommendations to RSPA to improve the design and performance of these protection devices on bulk liquid cargo tanks in its 1992 special investigative report. What is the status of your discussions with NTSB on this issue?

[The information follows:]

While RSPA does not believe that the performance of rollover protection devices on cargo tanks is a significant concern, we have required stronger rollover protection devices on DOT 400 series cargo tank motor vehicles. In its 1992 Special Investigation Report on Cargo tank Rollover Protection, NTSB made six recommendations to RSPA. NTSB has classified five of RSPA's responses to the recommendations as "Open—Acceptable Response". RSPA has developed an alternative approach to the remaining recommendation and recently has written to NTSB to request that the recommendation be classified as "Open—Acceptable Alternative Action". This alternative approach will accomplish the intent of the recommendation while fostering the use of industry participation.

CYLINDER COMPLIANCE WITH RSPA REGULATIONS

Mr. CARR. On February 12, 1990 the NTSB adopted a hazardous materials accident report that addressed the puncturing of a cylinder containing a poisonous gas, following the overturn of a tractor/semitrailer in Collier County, Florida. The Safety Board found that some cylinders failed to meet minimum DOT safety requirements, yet they were marked as meeting all DOT requirements. How has RSPA modified its oversight and compliance programs to ensure that containers failing to meet minimum DOT safety requirements are removed from hazardous materials transportation?

[The information follows:]

Under improved RSPA procedures, if RSPA determines that an imminent hazard exists, it requests immediate action to recall or destroy packaging. The Chief Counsel initiates such action as is required in the event that cooperation is not provided. RSPA also publishes appropriate notices in the Federal Register about defective packaging, and initiates appropriate enforcement action.

If RSPA determines that a lesser hazard exists, it requests action, such as analysis or testing, to determine the nature and extent of the problem, recommending recall, retrofitting, notification to customers, institution of corrective action, and/or destruction, as is appropriate. Publication of a notice in the Federal Register is determined on a case-by-case basis. RSPA initiates appropriate enforcement action, which might include a compliance order or withdrawal of an exemption (if applicable).

If RSPA determines that minimal or no hazard exists, it simply initiates appropriate enforcement action.

RETESTER INSPECTIONS

Mr. CARR. Last year, RSPA indicated that it had established a goal of conducting at least 50 retester inspections annually for each of your headquarters and regional units. Are you meeting this target?

[The information follows:]

Yes. The goal is to conduct 200 inspections annually and we averaged 202 retester inspections in each of the last two years.

ADDITIONAL STAFF FOR CYLINDER INSPECTION PROGRAM

Mr. CARR. Last year, you indicated that a second person would be hired for the cylinder inspection program. Has that person been hired?

[The information follows:]

Yes, the second person for the cylinder program was hired on June 30, 1992.

NUMBER OF REINSPECTIONS

Mr. CARR. Please supply for the record data on the number of retester inspections conducted in fiscal year 1991 and fiscal year 1992, and the planned number for fiscal years 1993 and 1994.

[The information follows:]

In fiscal years 1991 and 1992, RSPA conducted 186 and 218 retester inspections, respectively. We plan to conduct 200 inspections in both fiscal years 1993 and 1994.

HAZMAT INSPECTOR STAFF

Mr. CARR. Please provide a chart showing, by Federal region and location, your current numbers of authorized hazardous materials inspector positions and on board strength, similar to the data on page 387 of last year's hearing record.

[The information follows:]

The following information is provided on hazardous materials inspector positions:

	Authorized	On board as of 5/21/93
Headquarters	7	7
Eastern Region	3	4
Central Region	4	4
Western Region	3	4
Southwest Region	2	0
Totals	19	19

HAZMAT PROGRAM TRAVEL COSTS

Mr. CARR. Have travel costs for your hazardous materials work force declined since you established the field offices?

[The information follows:]

In comparing fiscal year 1991 travel costs with fiscal year 1992 travel costs, we developed an average cost for an inspection trip. The average cost of fiscal year 1992 inspection trip in fiscal year 1992 was 11 percent less than fiscal year 1991 average inspection trip.

HAZMAT PROGRAM FIELD OFFICE

Mr. CARR. What are your plans for establishing a fifth regional office?

[The information follows:]

At this time we have no plans for establishing a fifth regional office.

NUMBER OF HAZMAT INSPECTIONS

Mr. CARR. Your budget justifications indicate that RSPA will conduct over 1600 inspections in fiscal year 1994. How does that compare with fiscal year 1993 and what part of the projected increase for fiscal year 1994 is due to increased productivity of inspectors generated by the availability of secretarial support?

[The information follows:]

RSPA conducted 1,200 inspections in 1992. We do not know at this time if we will exceed that number in 1993 because of the reduction of 4 FTE for inspector positions. The original 1994 projection was based on having 24 inspectors, on the availability of clerical support, and on most of the current inspectors being fully trained in all inspection areas, and thus able to conduct inspections by themselves. Although not directly quantifiable, the availability of secretarial support affects inspections by allowing the inspectors more office time to write enforcement reports, thus enabling them to return more quickly to the field to conduct more inspections.

CONTRACT CLERICAL SUPPORT

Mr. CARR. What assumptions were used to develop the request of $75,000 for secretarial support for hazardous materials inspectors?

[The information follows:]

No clerical positions have been assigned to the regional offices. Inspectors spend valuable office time answering telephones, preparing correspondence, and performing other administrative tasks. Using inspectors in this way diverts resources from the primary mission of the regional office. Our estimate is based on providing half-time coverage for each of our four offices, at an hourly rate of $15–$20 for temporary services, depending on the local market.

ENFORCEMENT CASE REVIEW

Mr. CARR. For each of the last two fiscal years, please specify the average time that was spent processing enforcement cases by regional staff before these cases were submitted to headquarters, the time spent reviewing these cases at headquarters, and the time lapsed when these cases were first submitted to the Office of Chief Counsel and when they were settled.

[The information follows:]

RSPA tracks the amount of processing time between an inspection and issuance of a Notice of Probable Violation (NOPV), since RSPA has nearly total control over this time period. In fiscal year 1991, inspectors processed cases in 159 days; headquarters review and referral to the Office of the Chief Counsel (OCC) took 26 days; and OCC took 89 days to process NOPVs. The total time was nine months. In fiscal year 1992, inspectors processed cases in 145 days; headquarters review and referral to OCC took 48 days; and OCC took 114 days to process NOPVs. The total time was 10 months.

Once a NOPV is issued, RSPA has much less control over the timing of actions. In fiscal year 1991, the average time period between issuance of a NOPV and closing of the case was 221 days. In fiscal year 1992, that time period was 179 days.

In summary, inspection-to-case-closure time was 16 months in both fiscal years 1991 and 1992.

ENFORCEMENT MANUALS

Mr. CARR. Inspectors working for the FRA and FHWA have detailed enforcement manuals that set forth policies and procedures. Has a similar enforcement manual been issued to hazardous materials inspectors?

[The information follows:]

RSPA has issued its hazardous materials inspectors a draft operations manual for use in conducting inspections.

SCHEDULES FOR RECOMMENDED PENALTIES

Mr. CARR. Does RSPA have schedules of recommended penalties for different types of violations as does FHWA and FRA? If not, how do you ensure uniformity and consistency in your enforcement policies?

[The information follows:]

Yes. RSPA has a Penalty Guidelines document which lists baseline penalties or penalty ranges for all of the violations it discovers.

COMPLIANCE SUPPORT INCREASE

Mr. CARR. You are requesting a 64 percent increase in compliance support. Why is such a large increase needed?

[The information follows:]

Most of the increase (83 percent) is the $75,000 requested for contracted part-time clerical support for the regional offices, a modest amount compared to the cost of hiring full time permanent federal employees for this same purpose. This funding will improve efficiency by reducing the amount of time inspectors now spend answering phones, preparing reports and correspondence, and performing general administrative duties.

WORKLOAD MEASURES FOR HAZMAT PROGRAM

Mr. CARR. Please provide some workload measures for the Office of Hazardous Materials Transportation for fiscal years 1991 and 1992 and estimated for 1993 and 1994. This should include but not be limited to data on civil penalties and inspections.

[The information follows:]

Listed below are some workload measures for fiscal years 1991 and 1992, and those estimated for 1993 and 1994.

WORKLOAD INDICATORS

	1991	*1992*	[1] *1993*	[1] *1994*
Incident Reports	9,032	9,300	9,500	20,000
Exemptions Processed	1,684	1,816	1,700	1,600
Approvals Processed [2]	6,639	8,223	11,000	16,000
Competent Authorities	600	250	350	500
Requests for Information	2,158	7,406	7,900	8,500
Correspondence	320	550	650	750
Studies	17	17	17	15
Inspector Work Years	14.25	18.0	21.0	21.0
Inspections	1,050	1,300	1,400	1,600
Civil Penalty Cases Opened	160	133	175	250
Cases Closed	125	64	150	225
Penalties Collected	$646,010	$300,248	$600,000	$900,000

[1] Estimated

[2] Includes registrations (i.e., cargo tanks, cylinders, manufacturers' identification symbols)

FEDERAL REGISTER COSTS

Mr. CARR. Why do you need $245,000 in Federal Register publication costs in fiscal year 1994, since you have already issued priority rules on shipper/carrier registration requirements, emergency preparedness state planning and training grants, and performance requirements for hazardous materials packaging?

[The information follows:]

Although RSPA has completed the priority rulemakings identified in the question, other priority rulemaking actions are scheduled for publication in fiscal year '94. These actions include rulemakings under Dockets HM-181E—Intermediate Bulk Containers, HM-169A—Compatibility with IAEA Regulations for the Transport of Radioactive Materials, HM-206—Improving Hazardous Materials Identification Systems, and HM-200—Intrastate Transportation of Hazardous Materials. RSPA anticipates initiating rulemaking actions in response to changes and modifications to international standards, such as those promulgated in the UN Recommendations on the Transport of Dangerous Goods, International Maritime Dangerous Goods Code, and the International Air Transport Association's International Transport of Dangerous Goods by Air.

RSPA also publishes notifications of requests for exemptions and renewals of current exemptions, notifications of public meetings and hearings, and formal interpretations. Publication of petitions for preemption determinations and preemption findings is also included in these costs.

NUMBER OF FEDERAL REGISTER PAGES

Mr. CARR. Please supply data on the number of Federal Register pages and cost per page estimated for fiscal year 1993 and assumed for fiscal year 1994.

[The information follows:]

For fiscal year 1993, it is anticipated that there will be approximately 625 *Federal Register* pages at a cost of $375 per page. We have already published 170 pages through April 15 of this fiscal year. For fiscal year 1994, it is anticipated that there will be about the same number of *Federal Register* pages and that the estimated cost may reach $400 per page.

GAO REPORT ON HMIS

Mr. CARR. Please provide a status report on your efforts to address criticisms made by GAO in 1989 and 1991 pertaining to your Hazardous Materials Information System (HMIS), and include a discussion of improvements made during the last two years.

[The information follows:]

In 1989 GAO recommended that, to complete the HMIS data on incidents, RSPA should (1) routinely correlate HMIS data with similar data in other systems to identify nonreporters; (2) require incident reporters to submit revised reports when significant changes occur in the reported incident; and (3) require all persons (including shippers) involved in the transportation of hazardous materials to submit incident reports. The GAO also recommended that RSPA register all hazardous materials shippers in order to define the universe of the regulated public.

Over the past two years, RSPA has correlated HMIS incident reports with RSPA telephonic and the FRA and FHWA written reports. To gather more accurate and complete information on incidents, RSPA revised the reporting requirement to allow carriers 30 days to file a written report. This change addresses, in a cost-effective manner, the intent of GAO's recommendation to require revised reports when information changes. Furthermore, all reported deaths and injuries are verified by telephone before being included in the database to ensure the accuracy of this information.

RSPA has not required all parties who are involved with a shipment of hazardous materials to submit transportation incident reports since it would impose a significant burden not justified by the expected benefits of additional reports. RSPA has initiated a registration program in which over 25,000 hazardous materials shippers and carriers have registered and paid a fee.

In 1991 GAO recommended that DOT develop a departmentwide information resources strategy that would (1) establish information collection and automation program objectives that are linked to DOT's hazardous materials mission; (2) specify procedures for defining, managing and sharing hazardous materials inspection and enforcement safety data with all modal administrations involved in these activities; (3) ensure that the Department's automated hazardous materials information systems are planned, developed, and enhanced conforming to a systems architecture that define information requirements, flow and system interfaces; and (4) include Departmental participation of certain modal administrations.

The Department initially established two subcommittees under the Transportation Data Coordinating Committee (TDCC): one to focus on a framework for the strategic planning of departmental information databases, the other to focus on a short-term information strategy for hazardous materials until a departmental framework is defined and implemented. The responsibilities for these two subcommittees have been assigned to a single subcommittee, the Safety Data Working Group. A chairman has been appointed for the working group who is considering the appropriate membership, including persons familiar with the safety data needs of RSPA, FHWA, FRA, FAA, and USCG. The efforts of this group, combined with those of the Intermodal Hazardous Materials Coordination Group, the Department's Office of Information Resource Management, the newly created Bureau of Transportation Statistics, and the Office of Intermodalism, will ensure enhanced coordination between the departmental elements with hazardous materials safety responsibilities.

The DOT Intermodal Hazardous Materials Coordination Group, under the leadership of RSPA's Office of Hazardous Materials Safety, has begun the development of a Unified Shippers' Inspection and Enforcement Database.

Mr. CARR. Please break down in detail the specific uses of funds appropriated for HMIS in fiscal year 1993.

[The information follows:]

In fiscal year 1993, HMIS funds are distributed as follows:

Fiscal year 1993 ($ in thousands)

Data entry and systems development efforts to maintain and update the following HMIS subsystems:	
Incident reporting	408
Exemptions	57
Approvals	112
Regulations	66
Enforcement	52
National response center support	200
Telephonics subsystem update and maintenance	50
Computer facility management and system support	200
Administrative support	50
Imaging equipment and services for automated file storage and retrieval	355

RECEIPTS FOR HAZMAT REGISTRATION

Mr. CARR. What are your revenue projections for the hazardous materials registration program for fiscal year 1994 and how does that compare to last year's estimate of $19.9 million?

[The information follows:]

RSPA's current projections for revenue collections in the 1994–95 registration year, which will be collected during fiscal year 94, are that $15 million in funds to directly support the emergency preparedness grants program will be submitted by 60,000 persons, a slight reduction from earlier estimates. This projection is based, to some extent, on a statutory and regulatory revision that relieves shippers and carriers of hazardous materials in bulk containers with capacities less than 3500 gallons or 468 cubic feet from the registration requirement, even if the gross weight of the shipment exceeds 5000 pounds.

COMPLIANCE RATES FOR REGISTRATION PROGRAM

Mr. CARR. What compliance rates are assumed in your fiscal year 1994 revenue estimate for the hazardous materials registration program?

[The information follows:]

The 1994 revenue estimate assumes a compliance rate of 75 percent during the 1994–95 registration year applied to an estimated universe of 80,000 persons required to register.

ADMINISTRATIVE COSTS FOR REGISTRATION PROGRAM

Mr. CARR. Page 40 of the justifications indicates a request of $1.1 million for administration of the hazardous materials registration program—a significant reduction from 1992 and 1993 appropriations for this purpose. Why do you anticipate that administrative costs will decrease, when the level of noncompliance is significant?

[The information follows:]

In submitting budget requests for the administrative support of the registration program, RSPA included costs associated with the provision of computer capabilities, both in terms of hardware and software development, during the initial year (fiscal year 1992) and, to a lesser degree, in fiscal year 1993, when further refinements to the system were realized. Although maintenance of the hardware and software will continue to be needed, it is expected that the costs of such support will be less in 1994 than in the first two years of the program.

RSPA is cooperating with the modal administrations in efforts to enforce the registration program by making available registration and other data, and by referring the names of shippers and carriers involved in hazardous materials incidents who do not appear to be registered. However, the primary responsibility for, and therefore the major costs of enforcement lie in the modal administrations.

REGISTRATION PROGRAM FEE SCHEDULE

Mr. CARR. Last year, you were still determining how and at what level fees would be assessed for the registration program. Please explain what you concluded regarding user fee structure and administration.

[The information follows:]

After considering several alternative fee structures for the registration program and the public comments on those alternatives, RSPA concluded that the most equitable method of imposing a registration fee would be to establish a set fee at the minimum statutory level of $250, with an additional administrative fee of $50, resulting in a total fee of $300. This fee structure granted the maximum relief allowed under law to small businesses, while at the same time requiring the least amount of registrants' time and effort to determine the appropriate fee. RSPA also considered this fee structure to be administratively efficient.

REGISTRATION PROGRAM OUTREACH EFFORTS

Mr. CARR. Page 40 of the justifications indicates that RSPA undertook an extensive outreach campaign to advise shippers and carriers of the new registration requirements. What activities did you undertake to reach small carriers who have shown lower levels of compliance?

[The information follows:]

RSPA has identified transporters who may be subject to the registration program from various sources at the Federal, national, state and local levels. The data bases and other informational sources used to identify potential registrants included small carriers. In addition, RSPA is in the process of mailing 1993–1994 Registration Year informational brochures and registration statements to over 20,000 transporters contained in the Environmental Protection Agencies data base for parties regulated under the Resource Conservation and Recovery Act (RCRA) Subtitle C; this same source is also being used to identify small shippers (small quantity generators) of hazardous waste. RSPA is also contacting over 4,000 carriers newly entered into the FHWA's motor carrier data base, some of which are expected to be small carriers and therefore subject to our registration rule.

FUNDS FOR EMERGENCY RESPONSE GUIDEBOOK

Mr. CARR. Your budget justifications indicate that $500,000 will be utilized in fiscal year 1993 for publication of the Emergency Response Guidebook. How many copies will be printed?

[The information follows:]

Based upon the projected per document cost of $.80, the fiscal year 1993 allocation of $500,000 will produce 625,000 copies of the DOT Emergency Response Guidebook.

Mr. CARR. Why should we provide $450,000 in fiscal year 1994 for ERG publication costs, when RSPA had the authority to utilize up to $950,000 in fiscal year 1993 for publication of the ERG?

[The information follows:]

Although authorized to spend up to $950,000 in fiscal year 1993 for publication of the Emergency Response Guidebook (ERG), RSPA attempted to strike a balance between the guidebook and the grant funds available for Planning and Training Grant Program. The ERG and the Grant Program serve some of the same audiences. Deferring some of the expenditures for the ERG into fiscal year 1994 allowed RSPA to maximize the funds available for the Grant Program in fiscal year 1993.

NUMBERS OF ERG PRINTED

Mr. CARR. How many copies in total of the ERG would be published under your fiscal year 1993 budget and fiscal year 1994 request?

[The information follows:]

Based upon the projected per document cost of $.80, it is estimated that a total of 1.2 million copies would be produced during fiscal year 1993 and 1994 for use by state and local emergency responders.

HAZMAT TRAINING FOR STATE/LOCAL PERSONNEL

Mr. CARR. Please provide a complete listing of all resources in the fiscal year 1994 request related to hazardous materials training of state and local personnel and compare those levels to the corresponding funding levels for fiscal year 1993.

[The information follows:]

ENFORCEMENT/COMPLIANCE TRAINING

Resource	1993 enacted	1994 requested
Transportation Safety Institute, training modules, and videos	$440,000	$440,000
EMERGENCY RESPONSE (PLANNING/RESPONDING) TRAINING		
Grants	$8,900,000	$12,800,000
Training Curriculum	700,000	700,000
Monitoring/Technical Assistance	400,000	400,000

Note: The Hazardous Materials Transportation Act (HMTA) requires the Research and Special Programs Administration (RSPA), through delegated authority from the Secretary of Transportation, to: (1) develop and implement a reimbursable emergency preparedness grant program; (2) monitor public sector emergency response training and planning and provide technical assistance to States, political subdivisions and Indian tribes; and (3) develop and update periodically a national training curriculum for emergency responders.

EMERGENCY PREPAREDNESS GRANT ADMINISTRATIVE REQUEST

Mr. CARR. Why are you requesting an increase in funds, from $500,000 in fiscal year 1993 to $1.225 million in fiscal year 1994, to administer the Emergency Preparedness Grant program, and how did you determine that $1.225 million would be needed?

[The information follows:]

The $1.225 million figure includes funding for upgrading the Hazardous Materials Information Exchange (HMIX), for additional salaries, and for transfer of funds to FEMA and EPA for regional administrative expenses. These categories were reduced or eliminated in fiscal year 1993 to stay within the $500,000 total appropriation.

EMERGENCY PREPAREDNESS GRANT OUTLAY RATE

Mr. CARR. Only about half—$5.5 million—of the $11.0 million available for the emergency response state grant programs is expected to outlay in fiscal year 1993. Why isn't the outlay rate higher, and what outlay rate for the prior year budget authority for the grant programs do you assume for fiscal year 1994?

[The information follows:]

Although the entire $11 million available will be obligated prior to the end of fiscal year 1993, grant awards were not made until May. Because we cannot pay the grantee until the work is complete, we estimated a two-year outlay rate of 50 percent in fiscal year 1993 and 50 percent in fiscal year 1994.

CURRICULUM DEVELOPMENT

Mr. CARR. You are requesting an appropriation of $700,000 in fiscal year 1994 for the development of a national emergency response training curriculum—the same amount provided for fiscal year 1993. What are RSPA's responsibilities in this regard and what progress have you made to date?

[The information follows:]

RSPA's responsibilities are to develop, update, and coordinate the curriculum guidelines. The draft version of the curriculum guidelines prepared by the interagency author group is complete and is being circulated for coordination. This is a significant milestone in the program. Coordination with the National Response Team (NRT) and other Federal agencies called for in HMTA may take a considerable period of time.

Once the draft guidelines are approved, we will continue to develop and refine the guidelines to reflect state experience. We will also help states to adapt the guidelines to their specific needs.

NON-DOT SUPPORT FOR CURRICULUM DEVELOPMENT

Mr. CARR. To what extent are other federal agencies, such as FEMA, EPA and DOE, involved developing the curriculum?

[The information follows:]

Other Federal agencies are continuously involved in developing the curriculum through the HMTA interagency coordinating group, chaired by DOT. The author team includes representatives from FEMA, EPA, DOE, DOL/OSHA and DOT. FEMA's Emergency Management Institute is working closely with DOT on all aspects of the curriculum development program.

CURRICULUM GUIDELINES

Mr. CARR. The budget justifications indicate that draft curriculum guidelines will be available in June 1993. Since most of the development work on the curriculum will be accomplished this fiscal year, why do you need another $700,000 next year?

[The information follows:]

Development of the draft curriculum guidelines is only part of the program required to meet the requirements of HMTA. Coordination and review of the draft curriculum guidelines with the NRT and other Federal agencies called for in HMTA may take a considerable period of time. A similar effort to obtain consensus on National Fire Protection Association (NFPA) standard 472 took several years.

The $700,000 requested for fiscal year 1994 will allow RSPA to fulfill its statutory responsibilities to provide a useful curriculum that can be understood by state grantees. This program, including the model curriculum, the curriculum guidelines, and the curriculum support systems, will vastly improve the nation's hazardous materials emergency response training.

TRB STUDY ON TRACKING HAZMAT SHIPMENTS

Mr. CARR. The National Academy of Sciences Transportation Research Board has completed its study of the feasibility and necessity of establishing a central reporting system to track all daily shipments of hazardous materials. Early estimates were that the cost to the shipping industry for such a system financed through user fees could run as high as $2 billion a year. What were TRB's findings, and its conclusions on the costs and benefits of such a system?

[The information follows:]

The TRB committee decided that it is not feasible to implement such a (central reporting) system because the original proposal was not based on a thorough understanding of emergency responders' needs and was not designed to integrate with existing shipper and carrier information systems. The committee did estimate the cost of establishing a more modest-in-scope hypothetical centralized system that would include only large emergency response teams and shippers and carriers that regularly handle hazardous materials. "If this hypothetical system were adopted today, initial capital and start-up costs would be on the order of $300 million, with annual operation costs of $250 million," the committee reported. "If such an expenditure were made immediately, without thorough preliminary testing and evaluation, there would be no assurance that the system would produce a meaningful improvement in reliability or that its value would justify the cost."

RSPA RESPONSE TO TRB STUDY

Mr. CARR. When will you be making your recommendations to the Secretary regarding this matter?

[The information follows:]

RSPA is developing a coordinated Departmental review of the National Research Council's Transportation Research Board's (NRC/TRB) report on a computerized central reporting system for tracking hazardous materials shipments. The report was transmitted to the Congress and the Secretary on April 29, 1993. This begins the six month process contemplated in the HMTUSA to review the NRC/TRB study and a related rulemaking to improve hazardous communication (Docket HM-206) and formulate recommendations by the Secretary.

TRB STUDY EXECUTIVE SUMMARY

Mr. CARR. Please include a copy of the executive summary of the TRB's study, "Hazardous Materials Shipment Information" in the record.

[The information follows:]

Special Report 239

HAZARDOUS MATERIALS SHIPMENT INFORMATION

FOR EMERGENCY RESPONSE

Committee for the Assessment of a National
Hazardous Materials Shipments Identification System

Transportation Research Board
National Research Council

National Academy Press
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Committee for Assessment of National Hazardous Materials Shipments Identification System

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Executive Summary

Fire fighters and police regularly respond to incidents involving the release or threat of release of hazardous materials in transport. Minimizing the danger of injury and other costs of such events requires knowledge of the materials so that appropriate fire fighting and other mitigation methods can be used and decisions made regarding evacuations or traffic diversion. Hazardous materials are substances that are flammable or toxic or have other properties that would threaten humans if the substances were released. Government regulations require that certain shipments of hazardous materials be identified with placards on vehicles and shipping documents accompanying them, but lack of necessary information at the scene of an incident has sometimes interfered with response and led to increased losses.

To improve information for responders at hazardous materials transportation incidents, creation of a national computerized central reporting system and data center has been proposed. Shippers and carriers would be required by federal law to enter a record of each hazardous materials shipment, and police and fire fighters would have access to the information at the time of an incident. Congress called on the National Academy of Sciences to examine the feasibility and necessity of such a national central reporting system.

The recommendations of the National Academy of Sciences committee that conducted the study are listed below. All committee members are in agreement with each of the eight recommendations. However, members differed in their ranking of the relative importance of the recommendations and therefore in their preferences for the order in which the recommendations should appear. In particular, some members felt that Recommendation 8 should appear first because it is the recommendation most closely related to the specific question of the congressional charge for the study and because it is important to set boundaries on the kinds and scale of actions that are justifiable to correct identified problems. Other members believed that the presentation should emphasize the need for improvements and recommendations that lead to positive actions to improve hazardous materials safety (Recommendations 1–7).

Because of these differences, the order of the recommendations should not be interpreted as reflecting a committee consensus on priorities. The committee believes that all its recommendations merit action and that acting on all of them would be the most efficient way to ensure progress in improving emergency responder access to vital information at hazardous materials transportation incidents.

The recommendations are repeated with explanations later in this Executive Summary. Congress should provide the responsible agencies with the funding necessary to conduct the initiatives recommended.

1. Improvements to the existing system for providing information to emergency responders at hazardous materials transportation incidents are necessary. In a significant proportion of consequential incidents, responders are unable to obtain information they seek. Therefore, Congress, the U.S. Department of Transportation (DOT), and other responsible federal agencies should plan and carry out a program to improve the system. This program should include appropriate measures to apply technology; reforms in regulation, enforcement, and training; and evaluation of the existing system so that efforts can be directed at the most pressing problems.
2. DOT should immediately undertake one or more limited start-ups of automated information systems. The start-ups should be controlled experiments with rigorously designed evaluation protocols. A practical limited start-up is identified in the last section, involving an information system for rail shipments (see p. 15).
3. DOT should, on an ongoing basis and in conjunction with the shipper and carrier industries and emergency responders, systematically investigate opportunities for application of information tech-

nology to aid emergency responders and reduce the costs of hazardous materials incidents.

4. The U.S. Fire Administration of the Federal Emergency Management Agency, DOT, and other federal, state, and local agencies that maintain data bases of hazardous materials incidents should formally coordinate to ensure that data are defined and collected uniformly, duplicate reporting is avoided, and data collection is designed to serve essential program evaluation and research needs.

5. DOT should establish a monitoring capability that allows it to determine whether its regulations intended to provide emergency responders with information at hazardous materials transportation incidents are working adequately. Monitoring should be planned and conducted with state and local government participation.

6. DOT, together with other responsible federal agencies, should form a plan of action to alleviate each of the six categories of information failures identified in this study (see p. 7) through changes in regulations, more effective enforcement, and support for improved training of emergency responders and inspectors. Possible components of this action plan have been identified (see pp. 18–20).

7. DOT and the U.S. Fire Administration, with the full participation of state and local emergency response agencies, should jointly conduct a study of costs and means of organizing and delivering training to hazardous materials emergency responders and enforcement officers.

8. The government should not attempt to implement a system such as the originally proposed national central reporting system, that is, one entailing immediate and universal application of a requirement for shipper or carrier real-time filing of vehicle contents information in a central data base.

STUDY APPROACH AND SCOPE

The approach to the study was to analyze

- The value of improved information by identifying (*a*) the information that emergency responders need to make decisions at incidents; (*b*) the performance of existing means of providing information; and (*c*) the frequency, causes, and consequences of information failures;
- Technological options that might offer solutions to information problems, including the national central reporting system and other

designs, by considering the cost, technical feasibility, and organizational requirements for implementing such systems; and

- Regulatory, enforcement, and training options for solving the information problems, that is, refinements within the existing system for identifying hazardous materials that would not necessarily depend on adoption of information technology.

The scope of the study was limited to matters that may affect the consequences of hazardous materials incidents after they occur, and not to methods of preventing incidents. Incident prevention is fundamental to reducing risks to emergency responders and the public. The methods examined in this report for improving emergency response in general would not directly contribute to or substitute for accident prevention programs. Also, the scope was limited to the safety of materials in transport rather than to safety of materials in use or storage at fixed facilities or in storage in transport vehicles or containers. Although the committee did not focus exclusively on any particular system design, it did focus on prospective systems that would be national in application.

Programs aimed at incident prevention and safety of fixed facilities also require supporting information systems. For example, incident prevention depends on analysis of the causes of past incidents, which requires a historical incident data base. For fixed facilities, local governments are already compiling data bases of hazardous materials stored in their jurisdictions, using information provided by hazardous materials users in accordance with Environmental Protection Agency (EPA) regulations. Also, information systems to record exposures of emergency responders to toxic materials might have value for studies and monitoring of responder health. Information systems for incident prevention, fixed facilities, monitoring of exposure, and response to transportation incidents might eventually be most effective as components of a single system. This study did not consider such comprehensive data needs or estimate costs and benefits of such a comprehensive information system.

The scope of the investigation of information needs and failures was limited further to public-sector emergency responders, as opposed to private responders (e.g., transportation company employees who deal with incidents occurring on company property), because assistance to public-sector responders was the objective of the original central reporting system proposal and public-sector requirements would dictate the design of any new information systems.

The conclusions are relevant to all modes of freight transportation—air and water as well as truck and rail. However, since nearly all hazardous materials transportation incidents involve truck or rail, data collection and analysis concentrated on these modes.

NECESSITY AND VALUE OF IMPROVED INFORMATION

There has never been a comprehensive evaluation of the information needs of emergency responders at hazardous materials transportation incidents or of the performance of the existing system in providing information. Before an improved system can be designed, it will be necessary to understand responders' information requirements at incident scenes and why current practice (relying on placards displayed on vehicles, labels on packages, documents carried in vehicles that identify hazardous materials on board and give emergency response information, and a mandatory 24-hr emergency telephone number for access to the shipper) sometimes fails to meet those requirements.

To begin to fill these gaps in understanding, incident data bases were reviewed, emergency responders and managers in industries responsible for hazardous materials handling were interviewed, and case studies of consequential incidents (i.e., those involving injury, substantial property damage, evacuation, or major traffic delay) were conducted. The case studies were supplemented with descriptions of consequential incidents investigated by the National Transportation Safety Board (NTSB). The total of 125 cases are representative examples of all incidents of comparable severity.

The case study data have important limitations: the size of the sample was small considering the diversity of incident circumstances; NTSB does not randomly select the cases it investigates; information about incidents and consequences was often incomplete; follow-up conducted for this study was limited and was conducted some time after the incidents occurred; and any long-term or delayed health effects of exposures to materials would have been especially difficult to observe. Therefore, it is likely that some consequences were overlooked, and all conclusions drawn from the data must be regarded as tentative. Nonetheless, the data and analysis are more complete than in any previous examination of the issues.

Hazardous Materials Transportation Safety

Roughly 10,000 to 20,000 truck transportation incidents and roughly 1,000 to 1,500 rail incidents occur each year that involve release of a hazardous material or a circumstance that threatens a release and to which public-sector emergency responders are dispatched. In the majority of these incidents, the costs are confined to cleanup and use of emergency response resources. As many as 1,000 incidents annually have greater consequences: injury, substantial property damage, evacuation, or major traffic delay (only part of these costs is attributable to the presence of the hazardous material). In the case studies, there was an average of two reported injuries per consequential incident. In most consequential incidents no injuries were reported, but in a few, there were numerous injuries. About half the injuries in the case studies appeared to be related to the presence of the hazardous material.

Information Requirements

Information needs are driven by the decisions that emergency responders must make: what protective equipment is needed to approach the incident; whether danger of toxic exposure, fire, or explosion justifies a highway closing or evacuation; whether to use water or other chemicals to extinguish a fire; how to stop and contain a release; and how to dispose of spilled material.

The case studies show that responders need to determine the following critical information items: whether hazardous materials are present in the incident, the general type of hazard (e.g., flammable, poisonous), and the specific identities of the hazardous materials. Responders may also need other facts about the shipment, information about the surroundings, and expert advice. These needs can be divided into two categories: information specific to the vehicles involved (e.g., identity of materials) and information that is not vehicle specific (e.g., properties of materials). Provision of vehicle-specific information is the defining characteristic of the original national central reporting system proposal.

Performance of the Existing System

The case studies indicate that the existing system fails with some regularity, and these failures can have costs. Perhaps most significant, many emergency responders interviewed expressed lack of full confidence in the system.

Among the case studies, in about 25 percent of consequential highway incidents and 10 percent of consequential rail incidents, emergency responders were unable to obtain information that they sought or experienced significant delay in obtaining it. In the remaining incidents, the existing system performed adequately: responders obtained credible information in the format required by regulations. In those incidents with information deficiencies, the adverse consequences were not necessarily caused by the deficiencies. With the percentage of deficiencies just cited, roughly 200 consequential incidents would occur annually nationwide in which emergency response information would be seriously deficient.

Six categories of information failures appeared in the case studies:

- Required sources of information, such as placards and shipping papers, were missing or inaccurate.
- Placards, shipping papers, or other information sources were obscured, destroyed, or inaccessible because of a crash or fire or threat of fire, explosion, or toxic exposure.
- Information sources were in compliance with regulations and accessible, but they failed to efficiently convey important information to responders.
- Information was insufficient because the material or shipment was exempt from some federal hazardous materials transportation regulations (because quantities were too small to require placarding, the material was not regarded as being in transport, or the material was not designated as hazardous in regulations).
- The vehicle operator was unprepared to provide information.
- Responders failed to obtain or use available information.

Because of uncertainty in assessing the consequences of failures in the case studies and other limitations of the data, ranking the severity of these problems is difficult. However, the most common problems in the case studies were the first, third, and fourth categories listed above: required information was missing, information was in compliance and accessible but was not adequate for responders' needs, or information was insufficient because the shipment was exempt from some regulations. Instances of destroyed or inaccessible papers and placards were much less common because the great majority of incidents do not involve a serious crash or fire.

Results of roadside inspections to enforce truck regulations support the case study finding that regulatory violations are a common problem. In inspections, roughly one-third of trucks required to be placarded are cited for some violation of material identification regulations.

The frequency of information problems is not uniform among all segments of transportation. For example, a common kind of incident with information problems involves trucks carrying mixed loads. Mixed loads present problems because placards do not identify specific hazards when quantities are small, shipping papers can be voluminous when a truck is carrying multiple shipments, drivers are less likely to be familiar with cargoes, the appearance of the truck does not give information about contents, and responders must be concerned with hazards from interactions of materials. Because quantities are smaller, mixed-load incidents tend to be less severe than bulk-load incidents, but response is often protracted because of information problems.

Benefits of Improved Information

Improving the reliability of hazardous materials identification could reduce consequences in extreme circumstances by helping to ensure that actions are taken to protect the public and fire fighters from threat of injury. Because of the limitations of small sample size and incomplete data, the case study analysis did not provide a firm basis for estimating the linkage between information and injuries and illnesses. In the case study incidents, most reported injuries were apparently unrelated to the presence of the hazardous materials (e.g., injuries from impact in motor vehicle crashes) or occurred nearly simultaneously with the onset of the incident as the result of explosion or fire and before any emergency response could have occurred. However, some injuries related to the presence of the hazardous material occurred after some delay and thus might conceivably have been avoided through improved emergency response effectiveness. Hazardous materials incidents have been documented where faulty emergency response information led to injuries or deaths, although such circumstances were not evident among the 125 case studies specially developed for this study. The case studies suggest that the greatest opportunity for avoiding injuries through improved information is through more reliable initial warning of the presence of the hazardous material—the function that the placard is intended to perform.

In more routine situations, more reliable information could reduce the need for evacuations or traffic diversions and allow more efficient use of emergency response resources. To reduce costs, an improved information system would have to produce an increase in reliability great enough to change the actions of emergency responders. The incident case studies indicate that emergency responders tend to take a cautious course of action, in part because they believe from experience that materials information can be unreliable. Responder actions may include precautions that have significant costs (e.g., traffic blockages or workplace evacuations) but are believed to be warranted to reduce the risk of injury or death as much as possible.

Because of the cautious practices of emergency responders, and because responders often do not have a wide range of options for dealing with an incident, small improvements in reliability or completeness of information might not alter responders' actions in many incidents. On the other hand, if the improvement in reliability were great enough to boost overall responder confidence, the result might be more efficient response—not just to those incidents in which information failures would otherwise occur, but in other instances where responders now take precautions that have costs because they do not trust available information.

For the estimated 200 annual consequential incidents with information problems, the combined costs of property damage, evacuations, traffic delays, productivity losses, and response personnel and equipment amount to several hundred million dollars. Data are insufficient to allow the estimation of environmental damage and cleanup costs. In addition, these incidents are associated with roughly 400 reported acute injuries and illnesses. Some of these costs are unrelated to the hazardous nature of the cargoes. The case study incidents suggest that improved information could prevent a fraction of the dollar costs of consequential incidents with information problems, for an annual savings in the tens of millions of dollars. Also, improved information probably would lead to more efficient use of emergency response resources in all hazardous materials transportation incidents, for savings that might amount to some additional millions of dollars annually. Finally, some fraction of the injuries and illnesses attributable to these incidents might be avoided through better information, but the data do not allow an estimate of this fraction.

These estimates, derived from the case studies, do not include possible benefits from reduced consequences of rare but catastrophic events. In the United States from 1946 to 1989 there were at least five truck or rail incidents in each of which 15 or more people were killed as a result of the presence of a hazardous material. Other severe incidents have occurred in waterborne shipping. A majority of these fatalities and incidents involved explosions of flammable liquids or gases nearly simultaneously with the onset of the incident, and improved emergency responder information would be unlikely to prevent deaths in such circumstances. However, greater information reliability and availability might help avoid some consequences of such catastrophes.

A 1988 incident in which six fire fighters were killed is one in which improved information might have saved lives. This incident was beyond the scope of the originally proposed national central reporting system because the hazardous materials involved were not being transported, but were stored in trailers and so were not subject to DOT hazardous materials transportation regulations. Therefore, to be useful in this incident, an information system would have had to cover hazardous materials in vehicles used for storage as well as materials in transportation. The deaths were caused by an explosion of blasting agents stored in two trailers set afire by an arsonist at a construction site. The trailer did not bear DOT placards, and in fact standards in effect at the time called for the removal of placards on explosives stored in vehicles subsequent to transportation. An investigation concluded that the fire fighters were informed en route of the possibility of explosives and apparently learned on the scene that the burning trailer was supposed to contain explosives; however, the investigation concluded that before the alarm, the fire department did not have knowledge of the type, quantities, or locations of the blasting agents. The availability of such information at the time of the alarm might have allowed fire fighters to plan how to deal safely with the incident. This incident also illustrates the need for improved coordination among DOT and the agencies that regulate identification of hazardous materials not in transport.

Efficacy of Possible Solutions

The primary intent of the original proposal for a national central reporting system was to allow material identification when papers or placards were inaccessible or destroyed, provided that the vehicle could be identified and the responder knew or suspected that hazardous materials were present. The problem of inaccessible or destroyed papers or placards is one of the six categories of information failure identified in the case studies. The other five categories of information failure are related to underlying problems in regulations, enforcement, or training: regulatory requirements governing shipment identification do not match emergency responders' information needs; regulations are violated; or inadequate training of shipper, carrier, or emergency response personnel results in inappropriate actions. The success of the existing system in most incidents indicates that regulatory refinements and strengthened enforcement and training would improve performance.

Development of a technology-based information system would not be a substitute for needed regulatory, enforcement, or training improvements, and problems in the existing system arising from such sources as clerical errors or negligence could be replicated in any new system. However, technological aids might complement regulatory, enforcement, and training improvements. For example, an information system might help responders deal with complex situations such as mixed loads by automatically organizing information to highlight pertinent facts, it might strengthen enforcement by creating a monitoring mechanism, or it might have features designed to reduce the likelihood of human errors. Of course, the introduction of new systems would create new regulatory, enforcement, and training needs.

FEASIBILITY AND COST OF TECHNOLOGY APPLICATIONS

Attempts to introduce automation into an established system such as the existing hazardous materials emergency response information system are unlikely to be successful unless three guidelines are followed.

First, the advantages of automation are achieved only when the enterprise to be automated is well understood and well managed. If there is confusion about the process, efforts to automate often result in greater confusion. Performance criteria for an improved system can be defined only by studying the performance of the existing system. Therefore, in the near term, efforts must be made to rationalize the existing information system and to measure its performance.

Second, the evolution of an information system should, as a primary factor of design, identify and take advantage of opportunities created by investments in other technological developments. Building on existing information systems in the transportation industry would be the most practical approach to a hazardous materials information system. Making use of systems that were in routine daily use for business purposes would be the best way to attain reliability, and the costs of such a strategy would be much less than the costs of procuring a standalone system.

Third, automation should be introduced in an existing information system in carefully planned steps. This approach allows for modifications to resolve issues of human error, diligence, and training on the basis of evaluations of actual experience. Initial steps could be made with those segments of the community who have already invested in automated information systems and are experienced in their use. This stepwise approach would provide a basis of experience for making cost-benefit trade-offs. To be most cost-effective, initial steps would ideally also target segments in which the potential payoff from improved information was greatest.

The originally proposed national central reporting system would not conform with any of these guidelines. Because knowledge about the information needs of emergency responders and the causes of failures of the existing system is inadequate, there is no basis for determining a worthwhile increment in reliability or establishing other performance criteria for the new system. The originally proposed system would not be a phased implementation, and it would duplicate rather than integrate existing shipper and carrier information capabilities.

Building on existing capabilities is critical because of the rapid pace of introduction of innovative information technology in transportation. Some firms in certain segments of the carrier and shipper industries could comply today with most of the record-keeping and reporting requirements necessary to participate in a modified national central reporting system or in the clearinghouse option described in this report at a cost that would not be deeply disruptive. Throughout the transportation industry, carriers and shippers are rapidly developing new capabilities for maintaining current records on goods in transit to reduce inventory costs, for monitoring vehicles to allow more efficient fleet utilization, and for eliminating paper transactions by use of electronic data interchange.

These capabilities differ greatly by size of firm, industry, and mode. Rail is probably the most advanced, because automated car-tracking systems have been widely implemented. In other sectors, many firms have little or no shipment-tracking capability, and imposition of a national central reporting system requirement would force them to greatly alter their practices, increasing their costs.

Because many firms lack the information systems that would be required for compliance with a national central reporting system, rapid full-scale implementation of the system, which was a key feature of the original proposal, would be very unlikely to succeed. Firms would require time to develop, test, and perfect the needed internal information systems.

The cost components of an automated hazardous materials shipment information system would be shipper and carrier internal information systems, the central service facility, the emergency responder interface, enforcement, and training. The cost of shipper and carrier internal systems would be the largest component, much greater than the cost of the central facility. Therefore, the net cost would be highly sensitive to the extent to which shippers and carriers could use their existing investments in information technology to comply with system requirements. The cost also would depend on the functions the system supported; the number of shippers, carriers, and responders participating; the categories of shipments covered; and the level of reliability required. Cost estimates can only be illustrative and based on arbitrary assumptions, because the appropriate scale and functioning of the system could only be determined in an evolutionary process starting with test implementations.

Estimates were made for a hypothetical system including only larger emergency response agencies and shippers and carriers handling hazardous materials with some regularity. This would be a much more modest system than that envisioned in the original national central reporting system proposal.

If this hypothetical system were adopted today, initial capital and start-up costs would be on the order of $300 million and annual operation costs would be $250 million. If such an expenditure were made immediately, without thorough preliminary testing and evaluation, there would be no assurance that the system would produce a meaningful improvement in reliability or that its value would justify the cost.

Most of the estimated costs are for shipper and carrier information systems. However, the information system that shippers and carriers would have to install to comply with automated hazardous materials tracking requirements would be similar in some respects to systems that a few trucking companies and nearly all railroads have already adopted to meet internal management and customer service needs. Although such systems will not be ubiquitous in transportation within the foreseeable future, their use is spreading rapidly. Carriers with such capabilities already in place probably could avoid most of the costs of compliance that would be incurred by comparable carriers with no such capabilities.

RECOMMENDATIONS

Actions Needed To Improve Hazardous Materials Emergency Response Information

Improvements to the existing system for providing information to emergency responders at hazardous materials transportation incidents are necessary. Therefore, Congress, DOT, and other responsible federal agencies should plan and carry out a program to improve the system. This program should include appropriate measures to apply technology; reforms in regulation, enforcement, and training; and evaluation of the existing system so that efforts can be directed at the most pressing problems. Although this approach will take some time, it is the quickest means to bring about improvement, since attempts to implement improvements without analysis of needs and without testing would probably fail.

Several of the following recommendations call for data collection and evaluations. The committee has not estimated the costs of all of these activities in detail. However, their costs would be justified by the value of the reduction in the risks of hazardous materials transportation that could stem from them. As a first step, DOT and the other responsible agencies should estimate the costs of the recommended activities and submit proposals to Congress for funding. Congress should provide the necessary funds specifically for these purposes and should provide direction to the agencies responsible for carrying out the recommendations.

Implementing New Information Systems

DOT should immediately undertake one or more limited start-ups of automated information systems. Limited start-ups should be controlled experiments with independent, rigorously designed evaluation protocols. Their design, conduct, and evaluation should be governed by cooperative arrangements among participating federal, state, and local government agencies and participating shippers and carriers. Each limited start-up should be planned as the foundation for a widely implemented system, provided it is demonstrated to have benefits sufficient to justify its costs.

Examples of possible limited start-ups are

- Emergency responder access to carrier shipment-tracking systems via an established information network service;
- Incorporation of hazardous materials monitoring functions in truck automatic electronic identification demonstration projects, which federal and state transportation agencies now have under way or planned; and
- Emergency responder access to rail industry car-tracking and waybill data systems.

The rail industry limited start-up would be a practical starting point. All large railroads provide current information to shippers describing the location and recent movements of railcars carrying their shipments. The information can be provided over computer networks or via synthesized voice messages over ordinary telephones. The system could be modified to provide information on car contents to emergency responders.

A limited start-up of a rail system would be relatively straightforward to organize. It would demonstrate a service that emergency responders may find valuable and would provide an experimental setting for addressing many of the organizational, technical, and cost-effectiveness issues that any emergency response information system would face.

The other two suggested limited start-ups would be feasible, and in fact testing of hazardous materials applications is likely to be a component of the current truck automatic electronic identification demonstrations. However, the infrastructure and parallel industry investment for expanding these two beyond the prototype stage are only beginning to develop, so they would not progress beyond the experimental stage for some time. Also, a limited start-up using an established information network service in trucking probably would require more investment in developing new systems than would the rail limited start-up, because the services now available fall short of the requirements of a hazardous materials information system.

The limited start-up should have federal government, industry, and emergency responder participation. Key participants would be at least one large railroad and several emergency response agencies in the railroad's territory. All participants, including responders, should be involved in defining performance criteria and planning the evaluations. Evaluation should include comparison of the timeliness and reliability of materials identification via the limited start-up system with those of current methods. The limited start-up could also compare alternative communications links between responders and the rail data base (including human interaction), alternative information resources for interpreting the cargo information received, and arrangements for data security.

The cost of a 2-year limited start-up involving one railroad, including costs to the railroad and emergency responders and costs for evaluation, is estimated to be $4 million. If evaluation of this trial showed evidence of reduction in incident costs, the limited start-up could be expanded in the third year to a trial of a nationwide system involving all major railroads. The second phase would bring the total cost to roughly $7 million.

DOT should, on an ongoing basis and in conjunction with the shipper and carrier industries and emergency responders, systematically investigate opportunities for application of information technology to aid emergency responders and reduce the costs of hazardous materials incidents. The guidelines described above should be applied to any technology application: performance criteria concerning the information to be provided and the reliability required must be defined by studying the performance of the existing system; automation should be introduced in planned steps to allow for evaluation and modifications to resolve problems; and applications should take advantage of developments in information and communication systems used by shippers, carriers, and responders. A further critical criterion in system design is provision for security of proprietary business data. DOT should track technical developments in transportation information and communication systems to ensure that opportunities for applications to improve hazardous materials safety are not overlooked.

Data and Evaluation

The U.S. Fire Administration, DOT, and the other federal, state, and local agencies that maintain data bases of hazardous materials incidents should formally coordinate to ensure that data are defined and collected uniformly, duplicate reporting is avoided, and data collection is designed to serve essential program evaluation and research needs. In keeping with its current involvement in programs to assemble nationwide incident data, the U.S. Fire Administration would be the appropriate agency to lead this coordination. DOT and Fire Administration data systems should be made compatible so that they can be used jointly in analyses, and new efforts should be undertaken to ensure reliability of data collected in the existing systems.

DOT should establish a monitoring capability that allows it to determine whether its regulations intended to provide emergency responders with information at hazardous materials transportation incidents are working adequately. DOT needs to understand the information requirements of emergency responders, how frequently and why existing practices fail to provide that information, and the costs of information failures. Developing this understanding is a prerequisite to reducing the costs of hazardous materials incidents by improving information available to responders.

DOT's Hazardous Materials Information System (HMIS) was designed for purposes other than this monitoring function. For a variety of reasons having to do with reporting requirements and compliance, HMIS does not record the majority of hazardous materials incidents that involve public-sector emergency response and thus cannot serve as the monitoring system. Therefore a new data collection method is needed. It should be founded on a statistically valid sampling procedure. Rather than attempt to maintain a census of hazardous materials incidents for this purpose, a more practical approach could be for DOT to select a sample of emergency response agencies and investigate a sample of incidents chosen from the records of each agency. DOT should plan its monitoring of the effectiveness of the existing system to permit comparisons with the evaluations of the recommended limited start-up system. The monitoring should be planned and conducted with advice from and participation of state and local emergenc responders.

Regulation, Enforcement, and Training

DOT, together with the other responsible federal agencies, should form a plan of action to alleviate each of the six categories of information failures identified in this study through changes in regulations, more effective enforcement, and support for improved training of emergency responders and inspectors. Effective regulations and adequate training and enforcement will be essential components of any improvement in emergency response effectiveness. It was not possible in this study to assess the costs and benefits of specific possible regulatory, enforcement, and training actions. However, DOT should evaluate the proposals in the following table. The evaluations should estimate the costs to all parties of carrying out the regulatory, enforcement, and training actions and the potential benefits in terms of improved information and resulting reductions in the harmful effects of hazardous materials incidents. If DOT finds that the proposals are inadequate, it should devise other means that would correct the problems and yield benefits justified by the costs.

Problem	*Proposal*
Required sources of information are missing or inaccurate	Systematically monitor compliance as the basis for establishing targets for compliance improvement and measuring progress toward them
	Upgrade training of motor vehicle inspectors to ensure more uniform enforcement
	Improve effectiveness of enforcement of hazardous materials identification requirements in vehicle safety inspections
	Monitor the effectiveness of required shipper and carrier employee training programs
	Establish higher fines for certain hazardous materials identification violations, especially improper placarding and failure to provide telephone contact
	Facilitate the filing of complaints by emergency responders who discover violations at incidents

Problem	*Proposal*
Placards, shipping papers, or other information sources are obscured, destroyed, or inaccessible because of a crash or fire or threat of fire, explosion, or toxic exposure	Improve placard visibility through the use of retroreflective materials and other means Evaluate new materials for prolonging the fire resistance of placards
Information sources are in compliance with regulations and accessible, but they fail to efficiently convey important information to responders	Ensure that shipping papers and placards on vehicles carrying mixed loads are comprehensible to emergency responders by (*a*) requiring a summary manifest listing critical information about each hazardous shipment on board a vehicle, (*b*) requiring carriers to provide 24-hr telephone contact to a person with access to vehicle cargo information, (*c*) replacing the Dangerous placard with a more specific message, and (*d*) changing the minimum quantities requiring placarding Analyze the use of CHEMTREC and the National Response Center by local emergency responders to determine whether needed services are being provided and develop more effective referral services Coordinate material identification requirements among DOT, EPA, and the Occupational Safety and Health Administration to ensure that they are consistent and understood by responders; in particular, eliminate ambiguities concerning identification of hazardous contents of trailers or railcars being used as storage Develop a standardized material data sheet and require that it accompany shipping papers for certain hazardous materials
Information is insufficient because the material or shipment is exempt from some federal hazardous materials transportation regulations	Encourage industry efforts to adopt uniform tank trailer numbering

Problem	*Proposal*
Vehicle operator is unprepared to provide information	Ensure that training of shipper and carrier personnel covers communication with local emergency responders
Responders fail to obtain or use available information	Expand federal resources and technical assistance for training of responders in the skills of hazard identification and interpretation Develop a hazardous materials identification training curriculum

DOT and the U.S. Fire Administration should jointly conduct a study of costs and means of organizing and delivering training to hazardous materials emergency responders and enforcement officers. Participation of state and local emergency responders in the study must be ensured. Also, participation of EPA and the National Institute of Environmental Health Sciences would be valuable. Training will be essential to the success of any attempts to improve the emergency response information system, including those that would use automation. Lack of training is a factor in most of the information problems that arise in hazardous materials incidents. The study should be undertaken with the oversight of Congress, and its product should be a report to Congress on national requirements and the federal role in training.

Original National Central Reporting System Proposal

The government should not attempt to implement a system such as the originally proposed national central reporting system, that is, one entailing immediate and universal application of a requirement for shipper or carrier real-time filing of vehicle contents information in a central data base. There is no sound basis for defining performance criteria for information to be provided and threshold reliability needed in such a system; there would be no opportunity to allow ongoing evaluation to guide implementation, as a phased implementation would allow; and the system would not be designed to make maximum use of existing shipper, carrier, and responder capabilities. Also, the original national central reporting system proposal is not aimed at the most serious failures of the existing system. The incident case study results tentatively indicate that the failure the proposal was primarily intended to correct—incidents in which papers or placards are inaccessible because of a crash or fire—is only one category of failure, and not the most frequent category, under the existing system.

Because of these shortcomings, the originally proposed system would be unlikely to function as intended or to produce benefits sufficient to justify its costs. Information technology can make important contributions to emergency response, but this potential is most likely to be attained through the phased approach recommended earlier.

HAZMAT PLACARD RULEMAKING

Mr. CARR. What is your current timetable for rulemaking on this issue and the related rulemaking to improve the current system of placarding vehicles transporting hazardous materials?

[The information follows:]

RSPA issued an advance notice of proposed rulemaking (ANPRM) requesting public comment on: (1) Methods to improve the current system of placarding vehicles transporting hazardous materials; (2) methods for establishing and operating a central reporting system and computerized telecommunications data center; and (3) the feasibility, necessity, and safety benefits of requiring carriers to establish continually monitored emergency response telephone systems. The ANPRM was published June 9, 1992 and more than 250 comments were received. A notice of proposed rulemaking addressing placarding issues is anticipated in the fall.

The TRB's study received by RSPA on April 29, 1993 and is currently under review. A decision on future rulemaking actions on the establishment of a central reporting system and computerized telecommunication data center will be made after review and analysis of comments to the ANPRM and a Departmental review of the recommendations in the TRB's study.

HAZMAT QUICK REACTION TESTING

Mr. CARR. You are requesting $100,000 for quick turnaround evaluations and analysis to support rulemaking. Please give some examples of several such projects undertaken in fiscal year 1993.

[The information follows:]

In fiscal year 1993, rapid regulatory evaluations and data analyses were undertaken in support of each of the following rulemaking projects:

Extension of the Hazardous Materials Regulations to Intrastate Commerce.

Public Sector Emergency Response Planning and Training Grants.

Registration of Shippers and Carriers of Hazardous Materials.

Implementation of the response plan requirements of the Oil Pollution Act of 1990 (OPA 90).

Matallurgical failure analysis on cracked DOT Specification 3AL cylinders obtained from the Davie, Florida Fire Department

Metallurgical analysis on a ruptured DOT exemption cylinder which resulted in the death of a firefighter.

Metallurgical analysis of a failed DOT specification multi-unit tank car tank used to transport hydrogen sulfide.

HAZMAT RESEARCH ISSUES

Mr. CARR. What are the critical research activities that are being pursued by RSPA in the hazardous materials area and how do these relate to open rulemakings?

[The information follows:]

Research on hazardous materials safety problems and technological developments related to hazardous materials transportation is essential to support RSPA's regulatory development and enforcement program. RSPA will conduct research on the potential safety benefits of intermodal tracking technologies in support of Docket HM-206 (Improvements to Hazardous Materials Identification Systems). Follow-on research will also be required as a result of the National Academy of Sciences study of hazardous materials information systems and computerized data bases.

Research will also focus on the development of package-testing procedures in direct support of HMS's performance-oriented packaging standards established under Docket HM-181. The metallurgical analyses of both cracked and ruptured DOT specification and exemption cylinders will be used by RSPA in the development of a Notice of Proposed Rulemaking under Docket HM-176A. Additional research is being conducted on the scope and nature of the food safety problems addressed in Docket FS-1 (Safeguarding Food From Contamination During Transportation), particularly with respect to intermodal domestic and foreign containerized shipments of food.

Research is underway on the issue of which factors, if any, should be taken into consideration in the selection of routes and modes by shippers and carriers of certain radioactive materials. This research is needed to meet the requirements of Section 15 of the HMTUSA, and will form the basis of a decision to proceed with rulemaking on the subject.

COHMED MEETINGS

Mr. CARR. What has been the level of attendance at your COHMED meetings?

[The information follows:]

Attendance at COHMED meetings has been steadily increasing. For fiscal year 1992, approximately 250 people attended each of the two national meetings. In fiscal year 1993, approximately 296 people attended each of the two meetings held in Minneapolis, Minnesota and Charleston, South Carolina. Attendees, from 42 different states, represented enforcement personnel, emergency responders and industry.

Mr. CARR. Why will the cost of sponsoring four COHMED meetings in fiscal year 1994 increase by $5000?

[The information follows:]

At present time, we are conducting two national meetings per fiscal year. The COHMED program has evolved to the point where much of its work is conducted through standing and ad hoc committees that convene at the national meetings. For those committees to work effectively, it will be necessary for some of the committees to meet more frequently than twice per year. For example, the training and publications committee has a great impact on the outreach effort of RSPA and could be more effective operating without the time constraints inherent in semi-annual meetings.

HAZMAT INTERNSHIP PROGRAM

Mr. CARR. How many state and local enforcement officials participated in the Hazardous Materials Specialist Internship program in 1992, and what is planned for 1993 and 1994?

[The information follows:]

Fiscal year 1992—Two (2) participants (GA, WI)
Fiscal year 1993—Four (4) participants (MN, NC, IA, FL)
Fiscal year 1994—Six (6) participants are anticipated.

Mr. CARR. Why are costs expected to increase for the internship program by $10,000 or 20 percent?

[The information follows:]

Increased participation by higher level officials is expected as a result of aggressive promotion of the program, increased regulatory emphasis on hazardous materials training, and expansion of program scope to include county/municipal government officials.

HAZMAT TSI TRAINING

Mr. CARR. For fiscal year 1993, RPSA plans to train more than 6,000 state and local hazardous materials personnel utilizing the Transportation Safety Institute. What is the comparable figure for the fiscal year 1994 request? Please elaborate on how this training is different from that which will be conducted under the state training grant program.

[The information follows:]

For fiscal year 1994, RSPA expects to train more than 6,000 federal, state and local personnel via the Transportation Safety Institute (TSI)

The TSI concentrates on *the prevention of accidents and incidents through training of enforcement, compliance and inspection officers and regulators.* The state training grant program is oriented toward response to hazardous materials by emergency responders and concentrates on incident mitigation and personal and public safety during response to incidents.

TRANSLATION OF HAZMAT REGULATIONS

Mr. CARR. RSPA is requesting $140,000 to translate portions of the U.S. hazardous materials regulations in fiscal year 1994. Please elaborate on how you determined that this amount would be needed for this purpose.

[The information follows:]

Funds to translate the Hazardous Materials Regulations (HMR) were requested to provide a Spanish translation of the HMR for Spanish speaking Americans located predominately in Puerto Rico and the southern part of the contiguous US and to facilitate negotiations with Mexican authorities in the work of harmonizing US and Mexican hazardous materials regulations. In addition to translating the HMR, the funds would also be used to translate other documents related to hazardous materials transportation, such as the DOT Emergency Response Guidebook (ERG) and various instructional documents, relevant Federal Register publications and communications with Mexican authorities. Translation costs were estimated at $0.15 per word or $75 per CFR page. With approximately 1100 pages in the HMR, the cost of translation alone is estimated to be $82,500. The remaining funds would be used for printing translated copies of the CFR and translating and printing other documents.

HMIX BUDGET

Mr. CARR. Please update your estimated budget for HMIX in fiscal year 1993 and in fiscal year 1994, and indicate what major activities will be undertaken in fiscal year 1994.

[The information follows:]

The agency's enacted level for fiscal year 1993 was $170,000 for HMIX. For fiscal year 1994, we are requesting $80,000 for fiscal year 1994 under the Hazardous Materials Safety account, the same level of funding as has been requested and obligated in the past few years. Under the Emergency Preparedness Grants section of the fiscal year 94 budget, $193,000 is being requested to upgrade and support state use of HMIX for the HMTA grants program. In fiscal year 1994, RSPA will make exemptions in effect available to enforcement and emergency responders through the HMIX. A topic will be added on the Oil Pollution Act, and one will be added for gas and liquid pipeline issues. RSPA will also continue to promote the HMIX through public meetings and conferences. A major emphasis will be placed on expanding the HMIX to support the HMTA grants program, including providing for state administrative reporting. In 1994, we plan to upgrade and replace computer equipment purchased in 1986 and 1987 to support the system. More efficient equipment will allow us to serve more customers with more information while maintaining low operating costs.

HAZMAT SHIPPERS DATA BASE

Mr. CARR. Please provide an update on the status of your efforts to develop an intermodal database relating to shippers of hazardous materials.

[The information follows:]

RSPA, in coordination with FHWA, FRA, FAA and USCG, has developed plans for a hazardous materials intermodal Unified Shipper Enforcement Data System (UNISHIP). This data system will provide information regarding modal hazardous materials inspection and enforcement activities. The system will include seven years of historical data and, when it is operational, quarterly updates will be made.

RSPA has created five datasets (Inspections, Enforcement, Summary, Violation Regulatory Citations and Shipper Company); collected over 75 percent of the initial data; and is in the process of populating the datasets. Initial data analysis is ongoing in an effort to eliminate redundant company names and implement standards. The next phase involves assigning a unique company identifier to link all modal data while maintaining the individual modal identifiers. It is anticipated that the modal administrations will have easy access to UNISHIP through a menu-driven, user friendly program which allows the user to view the data as well as generate reports. This system will be operational by the end of this fiscal year.

HAZMAT TECHNICAL REPORTS

Mr. CARR. What have been the major technical reports that have resulted from research sponsored during the last two years by the Office of Hazardous Materials Safety?

[The information follows:]

Major technical reports sponsored by HMS and completed over the last two years are:

"Hazardous Material Shipment Information For Emergency Response." This recently completed study focused on the feasibility and necessity of establishing and operating a central reporting system to enhance nation-wide emergency response capabilities. The research effort was required by The Hazardous Material Transportation Uniform Safety Act (HMTUSA) and was conducted under the auspices of the National Academy of Sciences.

"Analysis of Hazardous Materials Cargo Tanks." The focus of this research is on the nature of and variation in cargo tank truck accident rates as a function of various highway characteristics (e.g, number of lanes, divided/undivided highways) and carrier type. The analysis was conducted by the Center for National Truck Statistics, University of Michigan Transportation Research Institute.

"Support For the U.S. Department of Transportation Response in the New York City Radioactive Materials Routing Case." This study: (1) evaluated the highway routing risk analysis provided by the City of New York in support of its ordinance banning the shipment of certain radioactive materials through its jurisdiction; 2) provided an independent routing risk analysis of three alternative highway routes; and 3) examined whether the New York City ordinance poses an unreasonable burden on commerce.

"A Comparison of Transportation Hazardous Materials Release Incident Reports Submitted to DOT/RSPA'S HMIS With Incident Reports Submitted to the States of New Jersey, New York and California." This study evaluated the extent to which incidents should have been reported to RSPA, but were not, and the potential increase in the number of reports that would occur from extending the hazardous materials reporting requirements to intrastate carriers of hazardous materials.

"Development of Test Methods to Determine the Compatibility of Liquid Hazardous Material with Polyethylene Packagings." The analysis was conducted by the National Institute of Standards and Technology, U.S. Department of Commerce.

"Thermally Unstable and Self-reactive Materials". The analysis was conducted by the Bureau of Mines, U.S. Department of the Interior.

HAZMAT REPORTS IN NTIS

Mr. CARR. Were any of these reports entered into the National Technical Information Service?

[The information follows:]

Yes. The comparative study of hazardous materials transportation incidents reported to various States and to RSPA will be entered into the National Technical Information Service. The study conducted under the auspices of the National Academy of Sciences has been published by, and is available from, the Transportation Research Board of the National Research Council.

RESOURCES SUPPORTING SANITARY FOOD TRANSPORTATION ACT

Mr. CARR. How many positions and staff years do you have in fiscal years 1993 and 1994 for implementation of the Sanitary Food Transportation Act?

[The information follows:]

Five positions were approved to support SFTA in the fiscal year 1992 budget and were filled that year; no increases were requested in the fiscal year 1993 and fiscal year 1994 budgets. During development of the notice of proposed rulemaking in fiscal year 1992 and fiscal year 1993, peak staffing levels exceeded that level, and are expected to do so in fiscal year 1994 as the Final Rule is developed. The use of additional analytical and technical support on an ad hoc basis is a common and necessary practice during a complex rule such as SFTA.

PIPELINE SAFETY RULEMAKING BACKLOG

Mr. CARR. What is your backlog today in the pipeline safety rulemaking process and how does the backlog compare to last year's?

[The information follows:]

There are 24 pipeline safety rulemaking projects listed in the latest DOT Semiannual Regulatory Agenda. This listing is as large as last year's although it is not identical because of completions, additions, and combinations of projects that occurred during the year. However, the Semiannual Agenda does not represent our total rulemaking backlog. The Pipeline Safety Act of 1992 requires 14 rulemaking projects. Eight of these are not yet included in the Semiannual Agenda. These additional projects give us a total backlog of 32 rulemaking projects. Also, last year the National Association of Pipeline Safety Representatives completed its study (earmarked by Congress) of our gas pipeline regulations, and recommended over 20 rulemaking actions. A Federal Register notice is being prepared to seek public comment on these state recommendations. We are also completing a review, directed by Secretary Peña, which addresses the need for additional regulations to protect the environment against pollution from petroleum pipeline spills. The results of that review may affect our regulatory workload.

CURRENT PIPELINE SAFETY RULEMAKINGS

Mr. CARR. Please review last year's list of outstanding pipeline safety rulemakings, shown on page 335 of last year's hearing record, and explain any delays from the scheduled completion dates.

[The information follows:]

Of the rulemaking projects shown on page 335, we have experienced delays in the following projects:

Qualification of Pipeline Personnel
Gas Detection and Monitoring in Compressor Station Buildings
Excavation Damage Prevention Programs for Gas and Hazardous Liquid Pipelines
Determining the Extent of Corrosion on Exposed Gas Pipelines
Operation and Maintenance Procedures for Pipelines
Hydrostatic Testing of Certain Hazardous Liquid Pipelines
Gas Gathering Line Definition
Leakage Surveys
Maps and Records of Pipeline Location and Characteristics
Distribution System Definitions
Design and Construction of Welded Breakout Tanks
Nomenclature Changes in Agency Procedural Rules

The delays are primarily attributable to the prior Administration's regulatory moratorium. In the interest of fostering economic growth, the moratorium required us to review all our regulations, and eliminate or modify those considered unclear or overly burdensome to industry. As a result, we began three new rulemakings, but had to postpone action on existing projects that did not fit the moratorium's objectives. The delays also reflect overly ambitious scheduling of projects. Prior estimates of time to complete rulemaking projects have not appropriately considered the small size of our rulemaking staff, the work involved in preparing attendant impact and paperwork studies, the extent of review, as well as growing demands on the regulatory staff for waivers, correspondence, and interpretations. With the moratorium no longer in force, we are reordering our priorities.

Mr. CARR. Please update the listing of all outstanding safety rulemakings, listing their docket number, title, current phase, and scheduled completion dates as shown on page 335 of last year's hearing record. Please also designate any requirement by the Pipeline Safety Act of 1992 and the Pipeline Safety Reauthorization Act of 1988.

[The information follows:]

The updated listing is as follows, with scheduled completion dates as shown in the April 26, 1993, DOT Semiannual Regulatory Agenda:

Docket No.	Title	Current Phase	Scheduled Completion Date
PS-94[2]	Qualification of Pipeline Personnel	Proposed rule	NPRM 04/93
PS-100[3]	Gas Detection and Monitoring in Compressor Station Buildings	Final rule	Final 04/93
PS-101[3]	Excavation Damage Prevention Programs for Gas and Hazardous Liquid Pipelines	Interim Final Rule and Supplemental NPRM for Mandatory Participation in One-Call Systems	Interim Final and Supplemental NPRM 04/93
PS-106	Transportation of Hydrogen Sulfide by Pipeline	Withdraw proposed rule	Withdraw 10/93
PS-107	Determining the Extent of Corrosion on Exposed Gas Pipelines	Final rule	Final 07/93
PS-113[3]	Operation and Maintenance Procedures for Pipelines	Final rule	Final 04/93
PS-117[2]	Hazardous Liquid Pipelines Operating at 20% or less of SMYS	Final rule	Final (not scheduled, but expected in 1993)
PS-118[2]	Excess Flow Valve Installation on Service Lines	Final rule	Final (not scheduled, but expected in 1993)
PS-121	Hydrostatic Testing of Certain Hazardous Liquid Pipelines	Final rule	Final 07/93
PS-122[2]	Gas Gathering Line Definition	Final rule	Final 04/94
PS-123	Leakage Surveys	Final rule	Final 10/93
PS-124[3]	Regulatory Review: Gas Pipeline Safety Standards	Final rule	Final 04/93
PS-125	Regulatory Review: Administrative Practices, Reporting Pipeline Incidents, Gas Pipeline Standards, and Liquefied Natural Gas Facility Standards	Final rule	Final 04/93
PS-126[1]	Passage of Internal Inspection Devices	Final rule	Final 10/93

PS-127[3]	Regulatory Review: Hazardous Liquid and Carbon Dioxide Pipeline Safety Standards	Final rule	Final 04/93
PS-128	Alcohol Misuse Prevention Program	Final rule	Final 10/93
PS-129	Drug Testing: MIS Standardized Data Collection and Reporting	Final rule	Final 10/93
PS-130	Response Plans for Onshore Oil Pipelines	Final rule	Final 10/93

The following pipeline rulemaking projects are on DOT's Semiannual Agenda but do not have a public docket number because a rulemaking notice has not yet been published in the Federal Register:

o[1]	Maps and Records of Pipeline Location and Characteristics; Notification of State Agencies, Pipeline Inventory	Proposed rule	NPRM 04/93
o	Distribution System Definitions	Proposed rule	NPRM 10/93
o	Design and Construction of Welded Breakout Tanks	Proposed rule	NPRM 10/93
o	Nomenclature Changes in Agency Procedural Rules	Final rule	Final 04/93
o[2]	Yard Lines	Proposed rule	NPRM 04/93
o[2]	Environmentally Sensitive and High Density Population Areas	Proposed rule	NPRM 10/93

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[1] Required by Pipeline Safety Reauthorization Act of 1988

[2] Required by Pipeline Safety Act of 1992

[3] Deadline not met

OFFSHORE PIPELINE RULEMAKING

Mr. CARR. What is the status of your rulemaking that would require off-shore pipeline operators to maintain accurate maps of off-shore pipelines?

[The information follows:]

Under 49 CFR 195.404, operators are already required to maintain maps and associated information for offshore pipelines carrying hazardous liquids or carbon dioxide. We plan to establish a similar requirement for offshore gas pipelines as part of the Maps and Records rulemaking project listed above. We expect to publish the NPRM this year and issue the final rule in 1994.

PIPELINE OFFSHORE INSPECTIONS

Mr. CARR. P.L. 101-599 requires the Department to establish by May 16, 1993, a systematic, and where appropriate, periodic inspection program of offshore pipeline facilities in the Gulf of Mexico and its inlets. Will you meet that deadline?

[The information follows:]

No. OPS is co-sponsoring with the Minerals Management Service, a report on the "Safety of Marine Pipelines" to be prepared by the Marine Board of the National Academy of Sciences. OPS has requested tht the report include a discussion of whether, and under what circumstances, a systematic, and where appropriate, periodic inspection of offshore pipeline facilities should be conducted in the Gulf of Mexico. The report is scheduled to be completed by the end of 1993, and OPS will use this data in developing the mandated rulemaking. While the May 1993 deadline for these regulations will not be met, OPS believes that the data obtained from the Marine Board report will help to assure a rulemaking that fully addresses the intent of Pub. L. 101-599.

OFFSHORE PIPELINE REGULATION

Mr. CARR. How will you implement this new requirement?

[The information follows:]

This requirement would be issued as a regulation and the implementation would be monitored by the OPS offshore inspection personnel.

ELECTRONIC MAPPING RULE

Mr. CARR. Last year, RSPA discussed its efforts to investigate electronic mapping system to address the 1988 legislative requirements for a rulemaking on the inventory and mapping of offshore pipelines. What progress has been made on this issue?

[The information follows:]

A fiscal year 1993 budget initiative to establish the capability for RSPA to tap into electronic mapping programs in the federal government, the states, and industry was deleted in conference report on RSPA's fiscal year 1993 appropriation. However, RSPA believes that an electronic mapping program is essential for timely response to incidents and accidents, for risk-based decision making, and for environmental prioritization.

Out of our base line resources, preliminary progress has been made in the investigation of the feasibility of an electronic mapping system. RSPA has initiated an interagency work group, under the auspices of the National Response Team, with the Environmental Protection Agency, the U.S. Coast Guard, the Minerals Management Service, the Department of Energy, and the National Oceanic and Atmospheric Administration, to examine the range of future applications for the system and to develop common specifications. RSPA is also working with the American Petroleum Institute to determine industry experience with electronic mapping programs and the extent of data already available. Finally, RSPA is tapping the expertise of the Volpe National Transportation Systems Center in assessing the experience of other modal administrations in electronic mapping. Texas, Minnesota, and Louisiana also are doing work in the area of electronic mapping.

OFFSHORE INSPECTION RESOURCES

Mr. CARR. Please update the data on inspection resources of offshore pipelines, as shown on page 346 of last year's hearing record.

[The information follows:]

The number of inspector FTEs in the field dedicated to offshore pipeline activities follows:

Region	Fiscal Year				
	1990	1991	1992	1993	1994
Eastern	0	0	0	0	0
Southern	0	0	0	0	0
Central	0	0	0	0	0
Southwest	1.00	1.00	2.00	2.00	2.00
Western	.50	.50	.50	.50	.50
Total	1.50	1.50	2.50	2.50	2.50

The Southern Region offshore units (7) may or may not be inspected in a given year. Therefore, the .03 FTE figure previously included for 1990 and 1992 has been removed from table.

NTSB RECOMMENDATION OF GAS LEAKS

Mr. CARR. Following the investigation of five natural gas accidents that occurred in a 7-month period in the Kansas City–Topeka area in 1988–1989, and a more recent accident involving pipeline overpressure of Peoples Gas Light and Coke Company in Chicago, Illinois in January 1992, the NTSB determined that there was a need for RSPA to assess existing gas industry programs for educating the public on the dangers of gas leaks and on reporting gas leaks to determine the appropriateness of information provided, the effectiveness of educational techniques used, and those techniques used in other public provisions of the federal regulations. How are you addressing this recommendations?

[The information follows:]

On April 9, 1993, RSPA published Advisory Bulletin (Number ADB-93-02) advising all natural gas owners and operators to review and access their continuing education programs to assure compliance with 49 CFR 192.615(d).

Specifically, this regulation requires that operators have an education program which has the following elements:

It is an continuing program that enables individuals to:

Recognize an existing or possible emergency involving natural gas, such as leaking gas; and

Report the emergency to the gas company or to the appropriate public officials (fire department, police department, etc.)

It covers all geographic areas in which the gas company operates;

It is conducted not only in English but in other languages commonly understood by a significant number and concentration of the non-English speaking populations in the above designated areas.

It is specified in written procedures in the operator's emergency plans.

Gas distribution and transmission pipeline operators should assess these programs for educating the public on the dangers of gas leaks to determine the appropriateness of the information provided and the effectiveness of the educational techniques used. If the assessment identifies deficiencies in the appropriateness and effectiveness of the program, the program must be modified to assure the adequacy of the program.

NTSB RECOMMENDATION FOR OPERATOR TRAINING

Mr. CARR. Since 1987, the NTSB has been encouraging RSPA to amend 49 CFR 192 and 195 to require that operators of pipelines develop and conduct selection, training and testing programs to annually qualify employees for correctly carrying out each assigned responsibility that is necessary for complying with the appropriate regulations. What are your plans to initiate a rulemaking to address these issues?

[The information follows:]

Work on a notice of proposed rulemaking on the subjects of training, testing, and certification was delayed last year by the President's regulatory moratorium on new rulemaking. We have restarted work on this project.

GAS PIPELINE PERFORMANCE REVIEW

Mr. CARR. Last year, you told us that an ongoing review of performance oriented requirements in your gas pipeline regulations initiated in September 1990 would be completed. What is the status of this review and what have you concluded.

[The information follows:]

The review of the performance oriented requirements in the gas pipeline safety regulations was conducted by a committee of the National Association of Pipeline Safety Representatives.

The report is currently undergoing Departmental review before being published in the Federal Register with a request for comments. Once RSPA has evaluated the comments, the agency will determine whether, and to what extent, to incorporate the Committee's recommendations in rulemakings.

PIPELINE TECHNICAL STUDIES

Mr. CARR. On page 145 of the justifications, RSPA is requesting $225,000 for technical studies to support rulemaking activities. How did you determine that this amount would be needed, and what studies have the highest priority considering your risk-based prioritization plan?

[The information follows:]

To estimate review time for each study, we surveyed outside contractors and consultants to determine labor involved for such studies and made adjustments to reflect the types of studies required for the pipeline safety effort. Our budget is based on a review of planned scope for each study, the likely level of effort anticipated, and likely costs for each of these studies.

Several studies, such as excess flow valves, qualification of pipeline personnel, and gas gathering lines, have already undergone some study since an NPRM or ANPRM have been published on each of these subjects. Other studies such as emergency flow restricting devices, abandoned offshore pipelines, and high-density population areas, have not undergone previous analysis and require more extensive development of data and technical review. Experience indicates that the cost of a regulatory evaluation necessary to support the issuance of a notice of proposed rulemaking is about $40,000.

PIPELINE NATIONAL RESPONSE CENTER SUPPORT

Mr. CARR. On page 157 of the justifications, you are requesting a 100 percent increase in funding for National Response Center support. Why are costs increasing for the Office of Pipeline Safety's participation, but not for the Office of Hazardous Materials' participation in the NRC in fiscal year 1994?

[The information follows:]

The fiscal year 1994 level of $100,000 is requested to bring funding for National Response Center support back up to the level it was for the prior 5 years. The fiscal year 1993 appropriation cut the $100,000 level in half. Our fiscal year 1994 request seeks to restore the base level for this important function.

PIPELINE RESEARCH STUDIES

Mr. CARR. RSPA is requesting $255,000 for three studies dealing with cast iron replacement programs, underground storage caverns and reservoirs, and yard lines. For each study, please elaborate on how you determined the amount needed in fiscal year 1994.

[The information follows:]

Regarding the cast iron study, it should be noted that most cast iron pipes are in distribution pipeline systems, which are predominated regulated by the states. Therefore, we have consulted with the National Association of Pipeline Safety Representatives (NAPSR) on the survey of cast iron lines. The survey will require one-persons year of effort plus extensive travel and overhead. There is cast iron pipe in most states, so that there will be considerable travel involved.

For the study dealing with underground storage caverns and reservoirs, we have determined that there are over 1,000 caverns in the country located in widely dispersed areas throughout the country. Since OPS has historically not regulated these caverns, this study will necessitate a one-person year effort in data collection to compile a list of these caverns. It will require considerable travel for field investigation. The research issues will involve technology with which OPS has not dealt previously, such as geology, stratigraphy, and soil mechanics.

For the study on yard lines, OPS will work with NAPSR. This study will be conducted in a manner comparable to the cast iron study with a similar level of effort. OPS estimates that it will require one-person year of effort plus extensive travel for interviews of personnel in both industry and state programs.

PIPELINE FUND BALANCE

Mr. CARR. The Pipeline Safety Fund is financed entirely by user fees assessed to pipeline operators. What is the unobligated balance in the fund?

[The information follows:]

The unobligated balance in the fund is $17,708,000.

COST TO FUND 50 PERCENT STATE MATCH

Mr. CARR. How much would be needed in fiscal year 1994 to fully fund 50 percent of state costs under the safety grant program?

[The information follows:]

RSPA estimates that an appropriation of at least $11 million would be necessary to fund state costs under the grant program. This estimate is based on the assumption that the same number of states would be participating in the program at the same level of participation. If participating states pick up additional safety jurisdiction under the gas program and additional states begin participating in the hazardous liquid program, state program costs would increase, which in turn would necessitate an increase in grant funding if the full 50 percent reimbursement were to be realized.

PIPELINE SAFETY WORKLOAD

Mr. CARR. Please provide some workload measures for the Office of Pipeline Safety for fiscal years 1990 through 1992 and estimated for 1993 and 1994. These should include but not be limited to data on civil penalties and inspections.

[The information follows:]

ENFORCEMENT

Measures:	1994	1993	1992	1991	1990
Cases Opened	150+	110+	94	77	63
Standard Insp.	400+	375+	344	225	180

Proposed Civil Penalties:

Estimated		Actual		
1994	1993	1992	1991	1990
$1,500,000+	$1,200,000	$1,133,100	$1,310,300	$431,440

Civil Penalties Collected:

Estimated		Actual**	(Closed Cases Only)	
1994	1993	1992	1991	1990
$1,000,000+	$800,000+	$802,740	$218,300	$305,000

TRAINING

	1994	1993	1992	1991	1990
Classes	16	17	16	13	14
Seminars	24	16	24	17	20
Students	3,175	2,250	3,110	2,711	2,586

OUTREACH/NARUC AND NAPSR CONFERENCES

Conferences	8	3*	8	8	8
Participants	180	180	170	170	170

*Five regional NAPSR meetings to be consolidated into one meeting.

States are a critical component of the pipeline safety program. State pipeline safety inspectors comprise over 90 percent of the overall inspector workforce.

**Amounts prior to 1992 reflect monies collected for closed cases only. Due to improvements in our enforcement database and accounting process we will have the capability to report all monies collected as a result of a compliance action for the years 1992 forward.

STATE COMPLIANCE ACTIVITIES -- NATURAL GAS PROGRAM

	1992	1991	1990	1989
No. of Operators	*	11,153	7,882	7,575
No. of Operators Inspected	*	5,032	4,614	4,597
No. of Inspection Units	*	14,021	10,082	10,509
No. of Inspection Units Inspected	*	7,105	6,601	6,860
No. of Inspectors**	*	257	242	233
Person Days Spent on Inspections	*	26,828	24,510	23,113
No. of Noncompliances Found	*	19,517	17,238	15,119
Enforcement Actions Initiated	*	3,394	4,247	2,888

STATE COMPLIANCE ACTIVITIES -- HAZARDOUS LIQUID PROGRAM

No. of Operators	250	245	200	255
No. of Operators Inspected	183	188	186	137
No. of Inspection Units	400	405	332	420
No. of Inspection Units Inspected	281	273	260	209
No. of Inspectors**	73	71	59	62
Person Days Spent on Inspections	1,754	1,698	1,571	1,276
No. of Noncompliances Found	897	659	697	589
Enforcement Actions Initiated	*	113	238	86

* 1992 data still being compiled
** Some inspectors may be counted under both gas/liquid programs

REGULATORY DEVELOPMENT

	1994 Est.	1993 Est.	1992	1991	1990
ANPRM	1	1	1	1	2
NPRM	5	4	7	5	2
FR	4	5	0	5	2
STATE WAIVERS	2	2	1	4	3
FEDERAL WAIVERS	2	2	0	0	0
TECHNICAL STUDIES	2	3	1	1	1
INTERPRETATIONS	14	14	10	11	9
ALERT NOTICES/ADVISORY BULLETINS	10	6	3	4	2
NTSB RECOMMENDATIONS CLOSED	3	4	3	3	2

PIPELINE RISK-BASED PROGRAM BENEFITS

Mr. Carr. Your risk-based prioritization planning process is one activity generated by your work redesign efforts, which we discussed a bit last year. What other tangible products have resulted from your work redesign activities?

[The information follows:]

To make accident investigation more effective, new accident response criteria, an accident response form, a personal safety manual, and accident response training curriculum have been developed. Accident response equipment kits have been purchased.

An analysis of inspection procedures has resulted in plans to conduct centralized reviews of pipeline operators' operation and maintenance plans, thereby reducing staff time spent on paperwork reviews and increasing staff time spent on field operations.

The necessary guidelines to standardize procedures for regional offices have been identified and will be developed as support for continued decentralization.

Outreach activities have been expanded. Environmental organizations such as the National Resources Defense Council and the Environmental Defense Fund are now providing valuable programmatic input. OPS has increased the use of public meetings and study groups of external stakeholders to gain support, secure public input and exchange ideas. OPS is participating in meetings and activities of the National Response Team, and is expanding the use of its Advisory Committees to gain input on risk assessment.

OPS organizational structure has been streamlined to expedite decision making, e.g., Regional Directors report to the Deputy Associate Administrator instead of an Office Director. Additional signature authority has been delegated to Regional Directors. Trend analysis, outreach and communication, and strategic planning activities have been enhanced.

To save time in administrative functions, new office procedures have been developed, including centralizing filing and organizing technical references. A new information system software and a groupware package supports team efforts and decentralization by tying geographically disbursed work groups and offices together electronically.

Human resource development practices have been standardized through development of manuals for supervisors and staff providing policy and procedures for awards, training, orientation staff, and other functions.

An internationally known program of leadership training is being delivered to all staff to improve intra-office relationships, communication, and effectiveness.

COMMENTS ON LOW STRESS PIPELINE RULE

Mr. Carr. You recently published a notice of proposed rulemaking on pipelines that operate at a low level of stress. What comments have you received on the proposal and when do you plan to complete your rulemaking?

[The information follows:]

Thirteen persons have responded to the notice. Most commenters indicate acceptance of the extent to which the notice proposes to regulate low stress pipelines, i.e., all low stress lines transporting a highly volatile liquid (HVL) and non-HVL low stress lines traversing high population density areas or navigable waters. A few operators suggest the exception from regulation of additional categories of low stress pipelines. Two commenters suggest regulation of low stress pipelines without exception. These comments will be considered in future agency action.

If justified, based on the comments and our regulatory evaluation, RSPA would publish a final rule early in fiscal year 1994.

ADDITIONAL PIPELINE JURISDICTION

Mr. Carr. Please elaborate on how many new pipeline operators and units of pipeline will come under your jurisdiction when federal pipeline regulations are extended to cover low pressure pipelines?

[The information follows:]

RSPA's Advance Notice of Proposed Rulemaking (ANPRM) contained a questionnaire for the purpose of gathering information on low stress pipelines operating at 20 percent or less of specified minimum yield strength of the line pipe. RSPA expects that many operators of low stress pipelines did not respond to the ANPRM. However, using the data contained in the questionnaire responses and other pipeline data, Volpe National Transportation Systems Center (VNTSC) projects the existence of 8,600 miles of low stress pipelines will become regulated. On the average, these pipelines are shorter than 3 miles. Many are parallel lines associated with petrochemical facilities and terminals so that an inspection unit includes multiple lines. Of 1555 new units, RSPA estimates that it will be responsible for 670 in addition to the 1294 units jurisdictional in 1992. If states do not accept jurisdiction, this responsibility may increase to 2849 total. OPS has no reliable estimate of the number of new pipeline operators that will come under our jurisdiction, due largely to the fact that many of the new units are owned by operators already regulated.

PIPELINE SAFETY INSPECTION STRATEGY

Mr. CARR. What is your strategy for ensuring the safety of these pipelines with a limited inspector workforce?

[The information follows:]

RSPA will continue to utilize its risk-based plan for prioritizing the inspection of pipeline units. In determining the priority of inspections, RSPA considers the following factors: knowledge of existing safety problems; population density; known environmental sensitivity of unit area; results of past inspections; analysis of safety-related condition reports filed by operator; length of time since last inspection; and Pipeline Inspection Priority Program (PIPP) rankings.

PIPELINE CIVIL PENALTIES

Mr. CARR. What are the maximum civil penalties for pipeline violations?

[The information follows:]

Sections 112 and 211 of the Pipeline Safety Act of 1992 (Pub. L. 102-508, October 24, 1992) increased the maximum amounts of civil penalties assessable under the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 from $10,000 to $25,000 per violation for each day the violation persists to a maximum of $500,000 for any related series of violations.

PIPELINE CIVIL PENALTY ACTIONS

Mr. CARR. Please update the tables on civil penalty actions assessed and collected shown on page 327 of last year's hearing record.

[The information follows:]

Tables on OPS Civil Penalty Actions Assessed and Collected

YEAR	NUMBER	AMOUNT PRELIMINARILY ASSESSED	NUMBER	AMOUNT COLLECTED
1977	7	$16,400	1	$ 700
1978	23	70,200	6	8,500
1979	20	46,450	21	26,800
1980	29	60,500	35	55,300
1981	6	14,750	4	7,250
1982	2	16,000	2	3,000
1983	3	21,000	5	19,500
1984	1	2,750	5	6,000
1985	8	12,000	11	56,500
1986	7	393,000	6	113,300
1987	20	641,500	9	391,000
1988	54	775,650	21	79,950
1989	45	512,950	30	102,300
1990	46	431,440	24	305,000
1991	58	1,310,300	36	218,300
1992	69	1,133,100	72	802,740

YEAR	AVERAGE AMOUNT PRELIMINARILY ASSESSED	AVERAGE AMOUNT COLLECTED
1977	$ 2,342	$ 700
1978	3,052	1,416
1979	2,322	1,276
1980	2,086	1,580
1981	2,458	1,812
1982	8,000	1,500
1983	7,000	3,900
1984	2,750	1,200
1985	1,500	5,136
1986	56,142	18,883
1987	32,075	43,444
1988	14,363	3,807
1989	11,399	3,410
1990	9,379	12,708
1991	22,591	6,064
1992	16,422	11,149

Table of OPS Enforcement Actions

YEAR	ENFORCEMENT ACTIONS BY OPS	NUMBER OF WARNING LETTERS	PERCENT OF WARNING LETTERS
1986	120	99	82.5
1987	99	60	60.6
1988	80	15	18.8
1989	88	27	30.7
1990	94	31	32.9
1991	114	23	20.1

YEAR	NUMBER OF PROPOSED CIVIL PENALTIES	AMOUNT
1986	7	$ 393,000
1987	20	641,000
1988	53	775,650
1989	45	512,950
1990	46	431,440
1991	58	1,310,300

PIPELINE ENFORCEMENT STAFF TIME

Mr. CARR. For each of the two fiscal years, please specify the average time that was spent processing enforcement cases in regional offices before they were submitted to headquarters, the time spent reviewing these cases at headquarters, and the time between when these cases were first submitted to the Office of Chief Counsel and when they were settled.

[The information follows:]

Stage of penalty process	*Average days*
Inspection date to NOPV date	165
Receipt of violator's response to referral to OCC	39
Receipt by OCC to final order date	251
Total days from inspection date to final order date	542
NOPV date to close	578

Information from November 1990 to March 1992 as issued in Inspector General's report December 1992.

ONSHORE PIPELINE FACILITY INSPECTIONS

Mr. CARR. Please update the data on the number of comprehensive onshore pipeline facility inspections by fiscal year as shown on page 329 of last year's hearing record by providing actual and estimated data for fiscal years 1992 through 1994.

[The information follows:]

Year	*Standard inspection—onshore*
1989	272
1990	180
1991	225
1992	307
1993 [1]	350
1994 [1]	400

[1] May change due to results of the program review directed by the Secretary following the Colonial Pipeline Company spill in Reston, Virginia, on March 28, 1993.

ONSHORE PIPELINE INSPECTIONS DURING FISCAL YEAR 1993

Mr. CARR. How many such inspections have been accomplished to date this fiscal year?

[The information follows:]

There were 156 standard inspections conducted between October 1, 1992 and May 1, 1993.

PIPP PROGRAM STATUS

Mr. CARR. Are you satisfied with how your pipeline inspection priority system is working?

[The information follows:]

Yes, we feel that the risk-based inspection plan is identifying the high-risk operators. OPS will continue to incorporate additional data items to determine risk as they become available (e.g., environmentally sensitive areas, annual reports for liquid operators, and enhanced inventory information from gas and liquid operators).

PIPP PROGRAM ACCOMPLISHMENTS

Mr. CARR. Can you give some examples of how the new system is more effective than the previous resource based inspection system?

[The information follows:]

Below are examples of how the risk-based inspection plan has identified operators and problems discovered.

Three out of four of *Colonial Pipeline Company's* inspection units in the OPS Eastern Region were scheduled for inspection in calendar year 1993 due to risks factors identified in 1992 related to Colonial's accident and compliance history as well as the location of its pipelines in environmentally sensitive and high population areas. Also, a pipeline corrosion problem was detected on a 1992 inspection of a Colonial Pipeline Company unit in the Southern Region. The inspection and accident history will raise the inspection priority in each region a company operates.

Due to a previous accident in Kansas (10,000 bbls. of naphtha in 1991), *Coastal Derby Pipeline Company* came up as a high priority on the inspection list for 1992. Inspection of the unit disclosed a pressure sensing device improperly installed that rendered the overpressure shutdown device ineffective in the event of any emergency. This could have resulted in loss of product.

PIPELINE INSPECTION INTERVALS

Mr. CARR. Please update the data on estimated inspection intervals by federal region for onshore units as shown on page 331 of last year's hearing record and explain any large differences.

[The information follows:]

Region	*Year*
Eastern	2.3
Southern	2.7
Central	2.7
Southwest	3.1
Western	2.5

The listed inspection cycle is a calculation based on each available FTE performing 20 standard inspections per year, which is our annual inspector goal. However, this estimate does not account for external, variable demands requiring additional inspectors' time. These factors cannot be accurately predicted each year and include accident investigations, public complaints, construction inspections, and training.

Reviewing actual inspections performed in 1992, the inspection cycle extends to an average of 3.8 years.

NUMBER OF PIPELINE INSPECTORS

Mr. CARR. How many pipeline inspectors do you have on board today and how many more will you hire during fiscal year 1993?

[The information follows:]

RSPA has 22 inspectors on board today and does not plan to hire any additional inspectors in fiscal year 1993.

PIPELINE INSPECTOR TRAVEL

Mr. CARR. How much are you budgeting for travel per field staff year in the pipeline safety program for fiscal year 1994 and how does that compare with fiscal year 1993?

[The information follows:]

Of the fiscal year 1994 request of $581,000 for travel and transportation, $425,000 will be used for field travel for 22 inspectors and 5 regional directors in 1994 ($17,000 per inspector and $10,200 for each regional director). Our fiscal year 1993 field travel costs are projected to be substantially the same as the fiscal year 1994 request.

PIPELINE INSPECTORS BY REGION—ONSHORE

Mr. CARR. Please update the breakdown of your on-shore pipeline safety work force and facilities by federal region as shown on page 333 of last year's hearing record.

[The information follows:]

We have the following number of inspectors in the field in fiscal year 1992 to handle onshore pipeline activities:

Region	[1] Number FTE's	Number onshore pipeline facilities
Eastern	3.0	173
Southern	3.0	218
Central	5.0	362
Southwest	4.0	255
Western	4.5	274

[1] Does not include the Regional Director in each of the regions.

PIPELINE INSPECTORS BY REGION—OFFSHORE

Mr. CARR. Please update the same data for offshore pipeline facilities and staff resources as shown on page 333 of last year's hearing record.

[The information follows:]

Region	[1] Number FTE's	Number offshore pipeline facilities
Eastern	0	0
Southern	0	7
Central	0	0
Southwest	2	218
Western	0.5	24

[1] Does not include the Regional Director in each of the regions.

STATES IN GAS PIPELINE SAFETY PROGRAM

Mr. CARR. Please list the eligible state jurisdictions participating in the federal gas pipeline safety program for fiscal year 1992 and show the amount of state costs, the federal contribution, and the percentage of federal contribution to total costs, similar to the chart shown on page 420 of last year's hearing record.

[The information follows:]

1992 NATURAL GAS GRANT ALLOCATION

STATE		REQUEST	ALLOCATION	% OF FUNDING
ALABAMA		300,863.00	194,710.00	32
ARIZONA		355,681.00	219,389.00	31
ARKANSAS		104,163.00	104,163.00	50
CALIFORNIA		650,000.00	276,935.00	21
COLORADO		133,799.00	128,209.00	48
CONNECTICUT		131,172.00	117,473.00	45
DELAWARE		16,742.00	16,742.00	50
FLORIDA		54,925.00	50,816.00	46
GEORGIA		174,126.00	169,973.00	49
HAWAII		20,986.00	16,975.00	40
ILLINOIS		216,798.00	178,276.00	41
INDIANA		135,752.00	129,980.00	48
IOWA		126,100.00	118,338.00	47
KANSAS		325,818.00	193,645.00	30
KENTUCKY		196,750.00	140,502.00	36
LOUISIANA		267,456.00	193,272.00	36
MAINE		12,125.00	10,816.00	45
MARYLAND		97,689.00	86,965.00	45
MASSACHUSETTS		287,000.00	173,703.00	30
MICHIGAN		187,945.00	175,373.00	47
MINNESOTA		439,394.00	244,171.00	28
MISSISSIPPI		111,793.00	109,623.00	49
MISSOURI		206,925.00	166,901.00	40
MONTANA		26,750.00	26,399.00	49
NEBRASKA		97,553.00	83,274.00	43
NEVADA		87,221.00	87,221.00	50
NEW HAMPSHIRE		65,781.00	57,323.00	44
NEW JERSEY		237,444.00	163,259.00	34
NEW MEXICO		158,700.00	155,091.00	49
NEW YORK		906,850.00	378,324.00	21
NORTH CAROLINA		133,800.00	133,800.00	50
NORTH DAKOTA	*	33,437.00	32,091.00	48
OHIO		318,759.00	208,460.00	33
OKLAHOMA		164,936.00	161,124.00	49
OREGON		115,738.00	113,449.00	49
PENNSYLVANIA		239,219.00	138,428.00	29
PUERTO RICO		20,650.00	19,335.00	47
RHODE ISLAND		58,572.00	58,572.00	50
TENNESSEE		155,224.00	155,224.00	50
TEXAS		765,962.00	332,392.00	22
UTAH		90,500.00	90,500.00	50
VERMONT		50,579.00	50,579.00	50
VIRGINIA		237,130.00	150,488.00	32
DISTRICT OF COLUMBIA	*	43,129.00	41,892.00	48
WEST VIRGINIA		170,708.00	162,565.00	48
WISCONSIN		119,989.00	98,632.00	41
WYOMING		132,716.00	121,628.00	46
TOTAL		8,985,349.00	6,237,000.00	35

NOTE: THE "REQUEST" REPRESENTS 50% OF THE STATE'S ESTIMATED BUDGET. THE "% OF FUND" IS THE PERCENTAGE OF THE BUDGET REPRESENTED BY THE ALLOCATION.

* STATE TO RECEIVE AT LEAST SAME LEVEL OF FUNDING AS IN 1991 UNDER REVISED ALLOCATION FORMULA PROVIDED ITS REQUEST IS AT 1991 LEVEL OR HIGHER.

STATES IN LIQUID PIPELINE SAFETY PROGRAM

Mr. CARR. Please provide a similar listing for state participation in the hazardous liquid pipeline safety program, similar to the chart shown on page 421 of last year's hearing record.

[The information follows:]

1992 HAZARDOUS LIQUID GRANT ALLOCATION

State	Request	Allocation	Percent of funding
Alabama	17,314.00	18,341.00	47
Arizona	35,936.00	35,936.00	50
California	781,273.00	286,738.00	18
Iowa	2,650.00	2,526.00	48
Louisiana	60,850.00	60,850.00	50
Minnesota	48,822.00	48,822.00	50
Mississippi	3,458.00	3,296.00	48
New York	23,750.00	23,750.00	50
Oklahoma	63,406.00	63,405.00	49
Texas	135,170.00	124,538.00	46
West Virginia [1]	28,054.00	24,798.00	44
Total	1,202,683.00	693,000.00	28

Note: The "request" represents 50 percent of the State's estimated budget. The "percent of fund" is the percentage of the budget represented by the allocation.

[1] State to receive at least same level of funding as in 1991 under revised allocation formula provided its request is at 1991 level or higher.

PIPELINE TECHNICAL REPORTS

Mr. CARR. What technical advancements or reports have resulted from research sponsored during the last three fiscal years by the Office of Pipeline Safety?

[The information follows:]

RSPA has been involved in a number of research projects in the FYs 1990-1992 resulting in the following reports:

Joint Task Force on Offshore Pipelines, November 1990

After two accidents involving fishing vessels striking submerged pipelines, the National Transportation Safety Board (NTSB) issued a recommendation for the Department of Transportation to organize an effort to determine the danger of offshore pipelines to marine vessels. In response to this recommendation, a multi-agency, joint task force on offshore pipelines was formed to study the issue. The November 1990 report is the result of the study.

The report concluded that exposed pipelines, including abandoned pipelines, pose a potential risk to navigation safety. To reduce the likelihood of further casualties, the report indicated pipeline owners and operators should inspect these pipelines at regular intervals and exposed pipelines should be re-buried.

To help resolve this problem, RSPA (56 FR 63764; December 5, 1991) issued a final rule requiring that operators conduct an underwater inspection of offshore pipelines in waters less than 15 feet deep, mark with a buoy pipelines that are exposed or are otherwise a hazard to navigation, report such pipelines to the Coast Guard, and re-bury such pipelines.

The Marine Board of the National Research Council is continuing work on offshore pipeline study and make a recommendation regarding this matter.

Emergency Flow Restricting Devices Study, March 1991

The purpose of this report was to determine whether hazardous liquid pipeline operators should install emergency flow restricting devices in existing and future pipeline systems in varying circumstances and locations. The proper placement of emergency flow restricting devices can reduce the spill from a pipeline which has experienced a failure and thereby reduce the effects to the environment. This report fulfilled a requirement in the Pipeline Safety Reauthorization Act of 1988 (Public Law 100-561).

The report concluded that remotely controlled valves are reliable, particularly when compared to automatic valves. Based on a review of accidents, the report also concluded that, in most cases, the installation of emergency flow restricting devices, along with a Supervisory Control and Data Acquisition System (SCADA) system (a system installed on many pipelines utilizing computer technology to assist in day-to-day operating decisions on the pipeline and to provide input for real-time leak detection models) would probably have reduced the accident effects including the impacts on the environment.

The report proposed considering obtaining input from the public through the issuance of Advanced Notices of Proposed Rulemaking in three areas:

- Assess whether the hazardous liquid pipeline regulations in 49 CFR Part 195 should be revised to require the installation of emergency flow restricting devices at certain locations.
- Solicit comments concerning specific locations outside of urban areas on hazardous liquid pipelines in close proximity to the public where emergency flow restricting devices should be installed.

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- Require the retrofitting of existing manually operated main line block valves to be remotely controlled where the valves are located in urban areas on hazardous liquid pipelines with SCADA systems installed and installing new remotely controlled valves on such pipelines located in urban areas.

These proposals will be incorporated in the Risk Based Prioritization Planning model to determine the order that they will be addressed.

The report also proposed conducting a study on whether SCADA systems, including well-designed leak detection subsystems, should be required on hazardous liquid pipelines. This study is presently being conducted for OPS by the Volpe National Transportation Systems Center.

Instrumented Internal Inspection Devices, November 1992

This report assessed the feasibility of requiring the inspection of transmission facilities with instrumented internal inspection devices or "smart pigs" at periodic intervals. This report fulfilled a requirement in the Pipeline Safety Reauthorization Act of 1988 (P.L. 100-561).

The conclusions from this report are:

- Some smart pig surveys would not be cost-effective, particularly where pipeline modifications would be required on hazardous liquid pipelines or on most gas transmission pipelines.
- It may be feasible to conduct periodic inspections of hazardous liquid pipelines with a smart pig in highly populated areas if the hazardous liquid pipeline can accommodate the device and has launching and receiving traps.
- It may be feasible to conduct periodic inspections on both hazardous liquid pipelines and gas transmission pipelines with smart pigs if: (a) the pipeline can accommodate the device and has launching and receiving traps and (b) the pipeline is located in any of the following areas:
    1. Permafrost
       - periodically pigged in accordance with the rate of pipe deformation
    2. Navigable waterway subject to dredging
       - pigged in accordance with the frequency of dredging
    3. Crosses an earthquake fault that has been displaced by seismic activity
       - after an earthquake
- It is not feasible to require the inspection of gas transmission and hazardous liquid pipelines with smart pigs if the pipelines are not constructed so as to accommodate the device.

PIPELINE RESEARCH ACTIVITIES

Mr. Carr. What are the critical research activities that are being pursued by OPS and how do these relate to open rulemakings?

[The information follows:]

OPS is presently involved with four research projects:

Identify Environmentally Sensitive Areas & Protective Measures

This study is identifying and investigating the various types of environmentally sensitive areas traversed by hazardous liquid pipelines, such as wetlands, navigable waters, and aquifers, to determine if it is reasonable to rank the areas in order of potential harm from pollution by the liquids transported. The results of this investigation will provide a basis for determining the need to amend the existing safety regulations to increase the degree and scope of protection that must be provided in environmentally sensitive areas, and recommend any rule changes needed to require operators to provide increased controls and protection according to the degree of risk of environmental damage. This was originally intended to extend into FY 1993, but will be terminated because RSPA will be able to obtain the necessary data and make the appropriate determinations based on our work implementation the Oil Pollution Act of 1990.

Relationship to open rulemaking:

The Pipeline Safety Act of 1992 requires RSPA to establish criteria and require operators to identify pipelines and gathering lines which cross navigable waterways or that are located in "environmentally sensitive" and "high-density population" areas.

Study of Supervisory Control & Data Acquisition (SCADA) Methods

This study is investigating and analyzing the various computer-based SCADA systems available for use to detect leaks in gas and hazardous liquid pipelines. It will determine if any of them, or a simplified version, are suitable for general application in the gas and hazardous liquid pipeline industry. The study will also pinpoint areas where further research is needed to minimize leak detection time, and will offer one model for determining value spacing.

Relationship to open rulemaking:

The Pipeline Safety Act of 1992 requires work to survey and assess the effectiveness of emergency flow restricting devices and other procedures and systems used to detect, locate, and minimize product releases from pipeline facilities. Regulations prescribing the circumstances under which operators of hazardous liquid pipeline facilities must incorporate and use emergency flow restricting devices and other procedures and systems to detect, locate, and minimize product releases from the pipeline must follow the survey and assessment.

Study of Diagnostic Techniques for Check Valves

The purpose of this study is to investigate the technical feasibility of requiring testing and inspection of check valves in natural gas and hazardous liquid pipelines. The draft report is based on a summary review of available technology for inspection of check valves. This study was prompted by recommendations issued by the National Transportation Safety Board. In part, they recommend that RSPA establish inspection, maintenance, and test requirements for check valves installed in pipeline systems.

Relationship to open rulemaking:

There is no current rulemaking in this area, but this work will also support the rulemaking on emergency flow restricting devices.

Liquid Pipeline Safety Factors in Populated Areas

The objective is to study whether it is warranted to establish more stringent regulations for hazardous liquid pipelines in populated areas similar to the more stringent regulations for gas pipelines in populated areas. This study will also consider establishing class location criteria in Part 195 similar to that which exists in Part 192 and safety margins in locations that are environmentally sensitive.

Relationship to open rulemaking:

There is no current rulemaking in this area, but this work will have a collateral benefit to the overall risk-assessment effort of the Office of Pipeline Safety, and the rulemakings and alternatives to rulemakings risk assessment will identify.

PEER REVIEW OF PIPELINE RESEARCH

Mr. CARR. Are your research projects subject to the peer review of advisory committees? If not, would this be worthwhile?

[The information follows:]

The two OPS advisory committees, the Technical Pipeline Safety Standards Committee and the Hazardous Liquids Pipeline Safety Standards Committee, are routinely briefed on current research projects, studies, and reports at the time of their scheduled meetings. Comments are solicited of committee members at that time and their comments are given serious consideration in the research projects. The concept of using the Committee as a peer review group is sound, and RSPA will propose this to the Committee.

TRANS-ALASKAN PIPELINE COMMISSION

Mr. CARR. Please provide for the record an updated summary of the composition of the Presidential Commission on the Trans-Alaskan Pipeline, its objectives, project schedule and your plan of action for the Commission, and a breakdown of how you plan to spend the $550,000 already allocated.

[The information follows:]

To date, no members have been appointed to the Commission by the President. Thus, no formal meetings have been held to develop an action plan to meet the Commission's mandate. However, budget estimates include $70,000 for travel and transportation, $300,000 for consulting services to the Commission, and $180,000 in direct contract support for activities not covered under consulting services.

VOLPE CENTER STRATEGIC PLAN

Mr. CARR. In October 1991, a long-term strategic plan for the Volpe Center was published. The plan indicated that the Center should broaden its areas of expertise, conduct more strategic planning and systems development, and provide greater assistance to state and local governments. Do you continue to believe that these activities are an appropriate focus for the Center?

[The information follows:]

Yes, we do believe that these directions remain an appropriate focus. There is an increasing demand for the Center' services in the area of strategic planning. Examples of major strategic planning activities include the Surface Transportation R&D Plan, required under ISTEA; study of the transportation implications of telecommuting; support to the U.S. Coast Guard in modernization of its logistics management systems through the Systems to Automate and Integrate Logistics (SAIL) Program; and support to FAA in development and refinement of plans for its capital improvement program for expansion and modernization of the National Airspace System. This work makes effective use of Volpe Center expertise, is clearly a proper Government function, and helps to prevent false starts and unnecessary expenditures.

System development work is responsive to specific Departmental needs, requires special experience and expertise, and can make effective use of contractor support to leverage the Volpe Center's in-house capabilities. The Center's systems development work has continued at a strong level. Finally, the Center has initiated cooperative work with state and local governments in urban transportation planning.

Mr. CARR. What steps have you taken during the past year since the plan was completed to move toward its implementation?

[The information follows:]

In addition to those strategic planning activities mentioned in the previous question, the Volpe Center, working through modal headquarters, has initiated cooperative work with state governments and metropolitan planning organizations. Recently, the Center conducted an independent review of the urban transportation planning process in the Houston metropolitan area. State and local work, generally conducted through the operating administrations in support of their missions, continues to be important, though transition to this area at the Center is limited by staffing.

VOLPE CENTER STAFF

Mr. CARR. How many staff are currently on board, and how are they allocated (by client—FAA, NHTSA, CG, etc.)?

[The information follows:]

As of 3/31/93 there were 554 people employed at the Volpe Center including 494 full-time-permanent, 60 others subject to the OMB ceiling. The anticipated distribution of effort by sponsor in fiscal year 1993 is:

	Percent
OST	1
USCG	10
FAA	45
NHTSA	6
FHWA	5
FRA	10
RSPA	2
FTA	5
DOD	13
Other Non-DOT	3

VOLPE CENTER AVERAGE GRADE

Mr. CARR. What is the average grade level for Volpe Center staff?

[The information follows:]

The combined average for GM and GS employees is 11.44.

VOLPE CENTER STAFF COSTS

Mr. CARR. Please provide for the record a chart listing the average cost of a staff year at the TSC, fully loaded with administrative and other overhead charges, for each year from fiscal year 1981 to fiscal year 1993.

[The information follows:]

Through fiscal year 1992 all Volpe Center indirect (overhead) costs were recovered as a single overhead charge assessed against the Center's direct labor, i.e., hours worked in direct support of a sponsor's project. Beginning in fiscal year 1993 the Center modified its accounting system to recover indirect costs through a combination of overhead and a new General and Administrative (G&A) charge against total obligations thus reducing the indirect cost burden on direct labor. The following table shows the average cost of a direct labor year from fiscal year 1981 through fiscal year 1993.

Fiscal Year	Avg Direct Sal & Ben	Overhead	Total
1981	$36,825	$23,168	$59,993
1982	40,772	24,271	65,043
1983	40,340	22,102	62,442
1984	42,769	23,094	65,863
1985	44,411	24,868	69,279
1986	44,145	25,114	69,259
1987	47,092	29,673	76,764
1988	49,826	33,591	83,417
1989	53,334	34,509	87,843
1990	56,481	41,688	98,169
1991	59,236	45,210	104,447
1992	61,382	46,920	108,301

Fiscal Year	Avg Direct Sal & Ben	Overhead	Total
1993 (Projected)	64,051	21,777	[1]85,828

Note 1. In fiscal year 1993 the Center went to combination of overhead and General & Administrative (G&A) indirect recoveries. G&A is applied to all obligations thus reducing the indirect charge to salaries and benefits.

VOLPE CENTER CLIENT BASE

Mr. CARR. You propose to broaden the traditional client base of the TSC to include regional, state and local governments, industry and foreign countries. How will this be accomplished within your current staffing ceiling?

[The information follows:]

Support to the Department of Transportation continues to be the Volpe Center's first priority. Our efforts to expand the Center's traditional client base are indeed limited by lack of available personnel due to current personnel ceilings. Working on projects in support of the operating administrations, the Center will continue to maximize opportunities to work with states, localities, and foreign governments on studies related to transportation. Nevertheless, we will continue to maximize work within the constraints of our available resources.

VOLPE CENTER SUPPORT TO DOT MODES

Mr. CARR. The Volpe Center appears to be moving in a direction of providing general management and organizational consulting to the DOT modal administrations and other Federal agencies. Your strategic plan indicates that the Center could assist agencies in "comprehensive rethinking of basic agency missions and goals". I wonder whether this is an appropriate role for the TSC. Shouldn't agency missions and goals be determined by Congress?

[The information follows:]

The assignment of specific functions and responsibilities to federal agencies is a complex iterative process, involving both the executive and legislative branches, and usually results from legislation. The process of developing internal management and strategic plans for carrying out these functions and responsibilities most effectively, however, is usually left to executive branch agencies.

It is within this context that the Volpe Center plays a role in assisting other federal agencies identifying the most effective means by which they can fulfill their Congressionally-approved functions and responsibilities. Recent legislation—such as the Intermodal Surface Transportation Efficiency Act of 1991, the Clean Air Act Amendments of 1990 and the Americans with Disabilities Act of 1990—has significantly altered the traditional functions and responsibilities of the Department of Transportation and other agencies. In response, the Center has assisted several sponsor agencies in developing and implementing overall, agency-wide strategic plans, as well as individual plans for improving agency capabilities in specifically-defined mission areas affected by this new legislation. The Center has also assisted numerous agencies in determining how to implement new automation and system capabilities in a manner that most effectively enhances agency capabilities and responds to their Congressionally-mandated missions.

VOLPE CENTER GATEWAY PROGRAM

Mr. WOLF. How many individuals have been hired under the Gateway to Careers in Transportation Program since its inception and what are your future plans for the program in fiscal years 1993 and 1994?

[The information follows:]

At the end of fiscal year 1991, the Gateway Program reached its current level of 20 recent college graduates. The program has been very well received by candidates, college placement staff and faculty, DOT agencies and Office of Personnel Management staff as providing a unique opportunity to introduce recent graduates to careers in transportation.

Due to the Center's staffing constraint, the Gateway Program is unable to secure additional FTE beyond the program's current level of 20 FTE. This level only allows for the replacement of turnover. With respect to fiscal years 1993 and 1994, a determinations will be made regarding the renewal of some or all of the term appointments of current Gateway Program participants, recognizing that renewal of appointments precludes recruitment of future candidates under prescribed staffing ceilings.

VOLPE CENTER ONBOARD STAFFING

Mr. Wolf. Please provide for the record the current number of employees onboard at the Volpe Center, broken down by full-time permanent, limited term appointments, and part-time appointments.

[The information follows:]

The following table summarizes current staffing levels at the Volpe Center.

Full-time permanent positions and others counted under the full-time equivalent (FTE) system: 554

Full-time permanent (FTP) Positions	494
Part-time permanent positions	20
Gateway program (term appointments)	20
Other appointments	20

VOLPE CENTER CHILD CARE AND FACILITIES

Mr. Wolf. The TSC maintains on-site child care and an employee fitness center. What are the annual operating costs of these services and how are they financed?

[The information follows:]

The Volpe Center provides space at no cost to the TSCTOT Child Care Center, Inc., a nonprofit corporation, and minimal support for supplies of about $5,000. The $330,000 balance of the operating costs is paid by the participants.

The physical fitness facility base operating contract is $90,000 for Fiscal year 1993. The Volpe Center will pay about $67,000 of this cost; the balance will be recovered from DOT organizations that are located on-site at the Volpe Center, and from on-site contractor accounts. In addition, individual users pay fees to cover the cost of special fitness classes.

OET ROLE IN EMERGENCIES

Mr. Carr. What major transportation emergencies has the Office of Emergency Transportation (OET) assisted in the past year and what was OET's role?

[The information follows:]

OET responded to at least 30 significant natural or technological disasters and economic disruptions last year. These emergencies were created by earthquakes, tornadoes, hurricanes, volcanic eruptions, industry strikes, etc. Most prominent among the events of the past year were Hurricanes Andrew and Iniki, the costliest disasters in American history. These disasters also provided the first large scale operational test of the new *Federal Response Plan* in which OET performed the central DOT role.

OET serves as the Secretary's central point in DOT for the receipt and analysis of information on the multimodal impact of disasters on the transportation system. OET receives and analyzes information, ensures that the Secretary and key officials are promptly notified, and develops comprehensive situation reports which reflect the status of the transportation network throughout the crisis. The OET field organization also manages Federal transportation support for the response at the disaster zone.

OET OPERATIONAL READINESS

Mr. CARR. You are proposing that funding for emergency transportation operational readiness more than double from $38,000 to $80,000. What deficiencies currently exist in RSPA's ability to respond effectively to transportation civil emergencies?

[The information follows:]

Preparedness of responders in a crisis is critical to a successful response effort. In the two major crises last year, DOT experienced severe shortages in personnel and practical, technical transportation management experience. To remedy this problem, DOT is enlarging its cadre of resources for crisis response and will develop an aggressive series of technical transportation management training sessions and exercises to familiarize the participants with DOT's role and response requirements in an emergency. This training initiative is for headquarters where policy advice and direction are provided, as well as the regional emergency organizations, where crises are actually managed. The training sessions will focus on realistic simulated disaster conditions and will allow for the evaluation of the practicality of procedures for transportation management in disasters, as well as effectiveness of crisis management plans. The results will be used for developing corrective actions where problem areas surface.

At this time, 14 training sessions are planned, 4 at Headquarters and one in each of the 10 regions. Nearly 700 people are involved in our national and regional response team organization for which the training is being conducted, including volunteers from the transportation industry.

OET RETCO SUPPORT

Mr. CARR. How much funding is requested for RETCO support in fiscal year 1994, how does that compare to fiscal year 1993, and for what purposes will the funds be used?

[The information follows:]

In fiscal year 1994, OET is requesting $25K for the RETCO program, a significant reduction over prior years. In fiscal year 1993, $32K was budgeted for the ten RETCOs.

As in past years, the fiscal year 1994 funding is intended primarily to support the administration and logistics of training for regional emergency response teams. In addition, about $10K will cover travel expenses in connection with assessment of the capability of State and local governments to respond to accidents at commercial nuclear power plants. This activity is required as part of a Congressionally mandated safety certification process for such plants.

OET PLAN TO MODERNIZE RESOURCE MANAGEMENT PROGRAM

Mr. CARR. Please elaborate on the study RSPA plans to undertake during fiscal year 1994 to "modernize" emergency transportation resource management, which will cost $35,000. Why is this study needed since RSPA has also requested funding of $80,000 to improve emergency transportation operational readiness?

[The information follows:]

The Department of Transportation has statutory responsibilities to support the Department of Defense in national security emergencies and other Federal, state, and local government entities in non-defense emergencies. The Resource Management Program is the Department's tool for interagency planning and for coordinating civil transportation operational support for such emergencies. In light of the shift from global to regional national security concerns and increased emphasis on civil emergency preparedness (following Hurricane Andrew), it is essential that the Department identify the required program changes needed to ensure its continued capability to provide necessary support in national emergencies. Using contractor support, the Department will assess its mandate for action in coordinating civil resources in emergencies. For example, what shaped it; what has changed? Further, it will determine whether the existing tools (principally the priorities and allocations authorities conferred by the Defense Production Act of 1950 as amended, and its implementing directives) are adequate to meet the Department's statutory responsibilities in regional defense scenarios or natural/man-made disasters in today's environment. The contractor-facilitated study will answer the above questions and identify what new initiatives, i.e., legislative, technological, policy, etc., are needed to eliminate any gaps in DOT's emergency response capabilities, including the expanding requirements of the *Federal Response Plan*.

The $80,000 for Operational Readiness is a separate area entirely. These funds will be used to enhance and continue our training program to sustain the readiness of the people and processes that make up the Department's emergency preparedness program. The training program will correct a severe deficiency in traffic management expertise that occurred during Hurricanes Andrew and Iniki.

EMERGENCY TRANSPORTATION INFORMATION SYSTEM

Mr. CARR. What kind of information is included in the Emergency Transportation Data Base, and why does it need to be updated?

[The information follows:]

The Emergency Transportation Information System (ETIS) contains information on key facilities for use in damage assessment during the numerous natural and technological disasters that occur each year. The data is provided by the various DOT Operating Administrations with operational responsibility, or purchased from commercial sources. The data is dynamic and must be updated regularly because the data changes as facilities are relocated, renovated, or closed.

OET GEOGRAPHIC DISPLAY

Mr. CARR. The justifications indicate that the development of a preliminary geographic display system is underway for OET by the Volpe Center. How much will be spent on this effort in fiscal year 1993 and what will be required in fiscal year 1994?

[The information follows:]

Fiscal year 1993 expenditures will be approximately $93,000. In fiscal year 1994, OET requested $69,000 for this effort. The overall program goal is to finalize the development of a graphic information display system for damage assessment and routing capability. To do this OET must test the prototype, upgrade the transportation data bases which are grossly out of date, research the current state-of-the-art software, update the hardware accordingly, and develop users' materials and supporting documentation. As a final step, OET must implement and distribute the system to the ten regional DOT emergency organizations and provide adequate training. To do this, OET will require substantial funding in subsequent fiscal submissions.

OET OVERSEAS TRIPS

Mr. CARR. Please update the data shown on page 402 of last year's hearing record concerning overseas trips taken by OET personnel. Please begin with the date of the last trip covered in last year's hearing record, in order to provide a chronological record.

[The information follows:]

FY-93 overseas trips (7) were:

11/5-13/91 Lisbon, Portugal & Ponta Delgda, Azores 5 people $4,853

Represent the U.S. at the Fall Plenary meeting of the NATO Civil Aviation Planning Committee and its subgroups. OET represents the U.S. on this committee, which plans for civil airlift to support NATO security strategy. Also participate in the 1991 NATO Civil Aviation Training Session to train the U.S. designees to NATO's Crisis Management Cell.

2/22-28/92 Brussels 2 people $1,036

Participate in a one-time only extraordinary meeting of the Civil Aviation Planning Committee at NATO Headquarters. OET represents the U.S. on this committee.

4/22-24/92 Montreal 2 people $1,393

Conduct the seventh annual meeting of the U.S./Canada Emergency Planning Committee for Civil Transportation (EPCCT). This committee is co-chaired by the Director of Emergency Transportation and plans for mutual support between the two nations in a disaster.

4/26-5-2/92 Brussels 3 people $3,979

Represent the U.S. at a meeting of the NATO Civil Aviation Planning Committee subgroup and participate in the Civil Emergency Preparedness Training Seminar. OET provides aviation experts on behalf of the U.S. to advise NATO on technical civil aviation matters. The training seminar brought together representatives from all NATO nations to discuss the impact of European events on NATO civil emergency planning.

6/6-13/92 Brussels 4 people $4,941

Represent the U.S. at the Spring Plenary meeting of the NATO Civil Aviation Planning Committee and its subgroups. OET represents the U.S. on this committee. Also participate in the Tripartite Working Group meeting. This group includes experts from aviation, surface, and marine transportation to plan for coordinated support for NATO military strategy.

6/21-24/92 Vancouver 1 person $1,121

Participate in the 1992 U.S./Canada Consultative Group Meeting. To report on the progress of the transportation subcommittee (the EPCCT).

9/6-11/92 Brussels 1 person $1,454

Attend a meeting of the new NATO Civil Aviation Working Group, a subgroup of the Civil Aviation Planning Committee. OET provides aviation experts on behalf of the U.S. to advise NATO on technical civil aviation matters.

DRT RESEARCH INITIATIVES

Mr. CARR. RSPA is requesting $170,000 for research and development planning and management to support the development of background information on new technologies and projected technology opportunities. Why shouldn't these activities be supported through research dollars provided to the various modal administrations? Why is an additional appropriation needed?

[The information follows:]

An additional appropriation is needed to support RSPA's work as Chair of DOT's R&D Council with lead responsibility for updating oversight documents required by the Intermodal Surface Transportation Efficiency Act. In that capacity, RSPA supports the Secretary's goal of bringing policy guidance to bear on cross-cutting modal research proposals. RSPA's planning and management activities provide the Secretary with a critical counterpoint to the modal perspectives of DOT's operating administrations. In contrast, modal R&D budget requests are likely to be more narrowly focused, and generally supportive of internal priorities and program needs.

COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS

Mr. CARR. Please give some examples of how RSPA "promotes the use of Cooperative Research and Development Agreements (CRADAs) at federal laboratories.

[The information follows:]

The Research and Special Program Administration's Volpe National Transportation Systems Center has (1) participated in fifteen 1992 National Technology Initiative (NTI) conferences with other DOT officials, disseminating information nationwide on CRADA opportunities and accomplishments in transportation; (2) reviewed CRADA agreements within various government agencies; (3) established contacts with DOT, the Advanced Research Projects Agency (ARPA), and the Federal laboratories; (4) brought together the National Laboratories, industry and university members of the transportation community for outreach events on pressing transportation needs and technological opportunities.

RADIO NAVIGATION FUNDING

Mr. CARR. You are requesting an 157 percent increase in funding for radionavigation planning and policy analysis in fiscal year 1994. Please breakdown the proposed uses of the $275,000 requested.

[The information follows:]

The requested funds are to be used as follows: 1. coordination of the 1994 Federal Radionavigation Plan, 2. interaction with the civil user community that is crucial to requirements understandings ($15K), and 3. cost sharing with FAA and USCG for required DOT liaison positions at the GPS Joint Program Office and the Air Force Space Command to ensure that civil needs are met ($60K).

FEDERAL RADIONAVIGATION PLAN COSTS

Mr. CARR. What were the total costs to prepare the 1992 Federal Radionavigation Plan (FRP) and what were the sources of funding for the plan?

[The information follows:]

The 1992 Federal Radionavigation Plan was produced at a cost of $225,000 including cost of regional meetings. This is exclusive of any costs incurred by the various DOT and DoD participants who contributed essential information and reviewed comments during plan development. Publication of the 1992 FRP was jointly funded by RSPA and the Federal Highway Administration, which was interested in identifying emerging surface transportation requirements for radionavigation services. We don't expect future FHWA funding of this. This departed from the past practice of funding FRP publication entirely from the RSPA account.

Mr. CARR. What are the projected costs to prepare the 1994 FRP and what are the anticipated funding sources?

[The information follows:]

Preparation of the 1994 FRP is estimated to cost $275,000. It is anticipated that funding for the 1994 FRP would be from the RSPA account.

RADIONAVIGATION AND GPS ISSUES

Mr. CARR. Please provide an update on RSPA's activities related to radionavigation, particularly liability and standardization of global positioning system (GPS), and the impact of selective availability of GPS on civil users.

[The information follows:]

RSPA's activities related to radionavigation are as follows: Chaired by the RSPA Administrator, the DOT Navigation Council includes policy level representatives from all DOT operating administrations, and the Office of the Secretary. Through a series of meetings and briefings the DOT and DOD secretaries have been made aware of and strongly support GPS as a candidate program for "defense conversion." RSPA personnel are coordinating DOT interests as the joint DOT/DOD GPS task force begins in May 1993.

In early 1992 the Volpe Center/RSPA addressed a wide range of satellite navigation and control issues, especially those of aviation. The liability implications of government-provided radionavigation services are among the important issues we are seeking to more fully understand.

Beginning in the 1980's, Volpe Center personnel originated signal formats fundamental to the standardization of differential GPS for marine and aviation applications. Volpe Center/RSPA staff members are active in special committees of both the Radio Technical Commission for Aeronautics (RTCA) and Radio Technical Commission for Maritime Services (RTCM) for the development of aeronautical and marine technical standards.

There is a close relationship between selective availability and current interests in using differential augmentation of GPS. To the extent that differential augmentation is implemented, selective availability is made less effective. This connection and its implications for civil users are being closely monitored by RSPA through DOT Navigation Council activities.

SMALL BUSINESS INNOVATIVE RESEARCH PROGRAM

Mr. CARR. How large in the Department's Small Business Innovative Research Program and how does this compare with the previous year?

[The information follows:]

The following information reflects the Department's SBIR contract activity for the current and previous year.

Awards	Fiscal Year 1992	Fiscal year 1991
Phase I	$1,437K	$2,026K
Phase II	2,082K	3,367K
Total	$3,519K	$5,393K

SBIR EXAMPLES

Mr. CARR. Please provide some examples of past SBIR projects that have proven to be especially noteworthy, and indicate their cost.

[The information follows:]

Amerasia Technology, Inc., Westlake Village, CA was awarded a phase II SBIR contract to develop a handheld flashlight sized drug detector for use by the U.S. Coast Guard for the detection of cocaine, heroin, and marijuana utilizing an innovative surface acoustic wave resonator as the sensor operating at gigahertz frequency. This technology is anticipated to have wide application in drug enforcement. Cost: $299,600

Newcomb Communications, Manchester, NH was awarded a Phase II SBIR contract for development of innovative satellite communications using short burst spread spectrum transmissions which provide a new dimension to messaging capacity, operating dependability and area of coverage. This technology, together with Differential Global Positioning System (DGPS) technology for vessel location determination, provides a strong, yet flexible foundation for implementing Vessel Traffic Systems (VTS) in a cost effective manner. The project is sponsored jointly by the U.S. Coast Guard and the U.S. Army, which is interested in applying the same technology to land operation. The U.S. Coast Guard anticipates application in DGPS installations. Cost: $299,742

Schwartz Electro-Optics, Inc., Orlando, FL was awarded a phase II SBIR contract to develop a reliable, low-cost, overhead vehicle detector for the Federal Highway Administration which will be a replacement for the widely used buried-loop vehicle detector which has a limited lifetime and is costly to maintain/replace. The FHWA anticipates widespread utilization to reduce cost of highway maintenance. Cost: $299,998

FISCAL YEAR 1992 SBIR PROJECTS

Mr. Carr. Please provide a list of fiscal year 1992 SBIR phase II projects, a brief explanation of each and their associated cost.

[The information follows:]

FY 1992 Phase II Awards

Adroit Systems
209 Madison Street, Suite 500
Alexandria, VA 22314
"Dynamic GPS Attitude Determining System for Marine Application"
91-CG1 $297,088

The purpose of the Phase II effort is to design a small, low cost, dynamic Global Positioning System Attitude Determining System (GPS/ADS) using carrier phase interferometry.

The ADS will provide dynamic real-time 3-D attitude, position, and time anywhere in the world. The system will work at high latitudes and be immune to magnetic deviations. Applications include positioning an object offset from a GPS antenna, pointing a sensor, buoy positioning, hydrographic surveying, ice breaker navigation, and other navigation uses.

Delta Information Systems, Inc.
300 Welsh Road, Bldg. 3, Suite 120
Horsham, PA 19044-2273
"Video Compression for Transmission of ATC Displays to Remote Tower Cab"
91-FA11 $296,346

This project is to develop a video compression system for the transmission of Air Traffic Control (ATC) display video to remote tower locations. It includes design, fabrication, testing and installation of a system which uses intra-frame compression technology.

Currently, ATC video signals are transmitted to remote sites using wide-band television microwave links (TMLs). The proposed system will be used for new installations and to replace TMLs that are coming to the end of their life cycle. This will result in a significant cost savings to the government. The project is also applicable to other radar based displays. One commercial application is for weather radar signals from National Oceanic Atmospheric Administration (NOAA) weather stations to commercial TV broadcast stations. There is great interest in minimizing the cost to transmit this signal.

IAT Corporation
172 East Creek Drive
Menlo Park, CA 94025
"Critical Sector Detector Tool Phase II Research"
91-CG5 $299,742

The Phase II work incorporates design of a Critical Sector Detector Tool adaptable for operational implementation. The tool will predict air traffic controller workload and potential work overloads. It will analyze the task requirements of human controllers, calculate workload for a controller position of sector teams, and compare the workload estimate with saturation limits. It would assist air traffic control traffic management personnel in determining strategies to preclude pending overloads. The effort will develop an algorithm and data processing structure for the Critical Sector Detector Tool and exercise the algorithm to demonstrate its effectiveness.

The workload analysis methodology will be applicable to tactical decision making operations, such as traffic control rooms, in commercial facilities involving people and materials transportation, electric power production and delivery, inventory maintenance, production lines, and distribution systems in general.

Invocon
9001 I-45 South, Ste. 560
Conroe, TX 77302
"Structures"
91-FH1 $299,901

A need exists to monitor vibration in highway bridges. It is desirable to monitor many points on the bridge. The current problem is that sensors must be wired to a central location. Wire is difficult to install and to move. The solution is to collect sensor data by radio. A system exists that eliminates wire. It gathers sensor data to a central location by radio. The system's unique feature is that all data nodes act as relays for each other. The furthest data node from the central does not have to transmit direct to the central. Instead, data is relayed from node to node and then to central.

Use of the resulting system will provide more data of higher quality and reduced data acquisition costs. Commercial applications include; soil moisture data for irrigation; vibration analysis for large structures; oil field command, control, and data acquisition; utility system monitoring; metropolitan traffic flow monitoring; and, meteorological data gathering.

Innotech International, Inc.
5457 Jo Pass
East Lansing, MI 48823-7226
"Efficient Consolidation of Concrete Using the Resonance Phenomenon and Combination of Internal and Surface Vibrations"
91-FH5 $300,000

The primary goal of this Phase II effort is to design and evaluate full-scale concrete pavement consolidation equipment, with optimum operation conditions and real-time monitoring systems, based on the concepts verified in laboratory-scale investigations of Phase I. The resonance phenomenon will be used to magnify vibratory displacement amplitudes for thorough consolidation of concrete, and a combination of internal and surface vibrations will enhance the uniformity of consolidation conditions. The first designs of the full-scale system will be developed for plain and continuously reinforced pavements, and alternative schemes for incorporating the system into the slipform paver operation will be devised. A comprehensive field investigation will be conducted in order to optimize the system operation conditions in different field conditions. Instrumentation and monitoring systems for continuous and real-time monitoring of consolidation conditions will also be developed. Comparative technical and economical studies will be conducted between the new system and conventional concrete vibrators in field application conditions. Arrangements will be made to transfer the developed technology to actual use.

Newcomb Communications
670 North Commercial Street
Manchester, NH 03101
"Operational Evaluation of DGPS/SATCOM VTS"
91-FH1 $299,742

Satellite communications, using short burst spread spectrum transmissions, provide a new dimension to messaging capacity, operating dependability and area of coverage. This technology, together with Differential Global Positioning System (DGPS) for vessel location determination, provides a strong yet flexible foundation for implementing Vessel Traffic System (VTS) systems in a cost effective manner. This project performs the operational test and evaluation of an integrated prototype system. It will facilitate VTS operations in one simultaneously iceberg patrol flight following, both operating through a common Base Station. Compatibility with Digital Selective Calling (DSC) operations, equipment, and message formats will also be demonstrated.

This project anticipates successful operation of a real time vessel tracking and messaging system, with continent-wide area of coverage. Applications to aircraft flight following and operational compatibility with existing VHF-DSC systems will be demonstrated.

Triangle Research and Development Corp.
P.O. Box 12696
Research Triangle Park, NC 27709
"Facial Laceration Measurement System for Anthropomorphic Models"
90-NH5 $292,538

Automobile producers, insurance carriers, DOT and other government agencies and institutions conduct research with Hybrid III anthropomorphic models. As injury data grows, it is increasingly critical to develop accurate, reproducible ways to measure laceration potential. A low-price, easily secured facial mask of consistent quality could be a necessity in trauma injury research and component testing in the future.

This Phase II effort proposes to develop and test an innovative system to measure facial laceration potential. This system will include a face mask or replacement skin to fit Hybrid III manikin heads and a method to quantitatively evaluate and rank the extent of laceration damage after impact. The mask will be designed specifically to be suitable for measuring facial laceration potential during various trauma research efforts and testing of passenger compartment components. This mask will be constructed of composites that mimic many characteristics of living human skin and will be such that it can be manufactured in a consistent manner, improving the repeatability of research results.

FISCAL YEAR 1993 SBIR PROJECTS

Mr. Carr. Please provide a listing, by modal administration or subject area, of SBIR research topics for fiscal years 1992 and 1993.

[The information follows:]

RESEARCH TOPICS FOR 1992

OFFICE OF THE SECRETARY (OST)

Space Transportation Safety

1. Improved Navigation Systems for Commercial Space Transportation Vehicles
2. Alternative Range and Flight Safety Systems

FEDERAL AVIATION ADMINISTRATION (FAA)

Aircraft Safety

1. Airframe Cumulative Fatigue/Strain Monitor.
2. Crash Simulation Technique.
3. Nondestructive Inspection (NDI) for Corrosion and Disbond Detection.

Air Traffic Control/Flight Services Technology

4. Method to Test Various Waveforms Using Solid State Radar Transmitters.
5. Synthesized Voice for Repetitive Broadcasts.

Airport Technology

6. Even Lamp Brightness in Approach Lighting System.

Aviation Security

7. Detection of Vapors from Explosives, Incendiaries and Noxious Gases.

Environment

8. Environmentally Acceptable Deicing Agents.

Human Factors

9. Air Traffic Control (ATC) Flow Management Human Factors.
10. Personal Computer (PC) Based Tower Cab Simulator.

Information Technology

11. Cost Effective Computer-Aided System Engineering (CASE) Tool.

FEDERAL HIGHWAY ADMINISTRATION (FHWA)

Structures

1. Swept FM Pulse Transducer for Bridge Pier Scour Measurement.
2. Nondestructive Testing (NDT) System(s) for Drilled Shaft Inspection.

Safety

3. Energy Absorbing Guardrail End Treatments Using Innovative New Designs and Materials

Pavements

4. Miniature Pressure Cell for Installation in Pavements

FEDERAL RAILROAD ADMINISTRATION (FRA)

Safety

1. Advanced Locomotive Cab Alerter
2. Rail Longitudinal Force Measurement Technique Development
3. Obstacle Detection for High Speed Guided Ground Transportation
4. Reducing Magnetic Fields Experienced by Occupants and Bystanders of Magnetic Levitation (MAGLEV) Vehicles

Advanced Technology

5. Switching Magnetic Levitation (MAGLEV) Vehicles

MARITIME ADMINISTRATION (MARAD)

Maritime Operations
1. Terminal and Ship Operations
2. Shipboard Simulation Training

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)

Crashworthiness
1. Pressure Sensitive Dye for Assessment of Occupant Facial Contacts and Abrasions
2. Dynamic Surface Geometry Measurement Array

Traffic Safety Programs
3. Tamper Proof Driver's License and Identification Cards

UNITED STATES COAST GUARD (USCG)

Marine Fire Safety
1. Innovative Fireproofing Materials
2. Integrated Damage Control Systems for Coast Guard Cutters

Information Resource Management
3. Interactive Activity Log for Coast Guard Operations

Navigation Systems
4. Integrated GPS/LORAN-C Positioning Device
5. Extended Light Sources for Ranges

Communication Systems
6. Wide Band-Wide Bandwidth MF/HF/VHF Military Low Band (MLB) Communications Transceiver

RESEARCH TOPICS FOR 1993

OFFICE OF THE SECRETARY (OST)

Space Transportation Safety
1. Launch Vehicle Technology

FEDERAL AVIATION ADMINISTRATION (FAA)

Aircraft Safety
1. Nondestructive Inspection (NDI) of Large Areas
2. Assessment of Residual Life of Aging Aircraft
3. Aircraft Structure Visual Inspection Enhancement
4. Sensors for Detecting and Monitoring Corrosion in Aircraft
5. Horizontal Stabilizer Buffet Loads Prediction
6. Turbine Engine Rotor System Inspection and Condition Monitoring
7. Cargo Compartment Fire Protection
8. Cabin Smoke Control

Aviation Security
9. Operator's Perception of Images
10. Effects of Long-Term Exposure to Low-Level Radiation
11. A Luggage Simulation Tool
12. Improved Radiation Detectors
13. New Concepts in Bulk Explosives Detection
14. Detection of Airborne Explosives

Airport Technology
15. Fiber Optic Transmission of High Energy Light in Approach Lighting System
16. Direct Monitoring of Approach Lighting System Lamps
17. Runway Incursion Prevention
18. Alternative to Current Paints

Air Traffic Control/Flight Services Technology
19. GPS for CAT II/III Precision Approaches
20. Development of a Low-Cost General Aviation Collision Avoidance System

FEDERAL HIGHWAY ADMINISTRATION (FHWA)

Human Factors

1. Automated Reduction of Video-Based Data

Traffic

2. Digital Signal Processor (DSP) Neural Net Based Vehicle Detector
3. Development of Notebook Computer Software to Collect Rip Generation Data at Intermodal Passenger and Freight Terminal Facilities

Transportation Enhancements

4. Visual Database of Transportation Enhancements

Hydraulics

5. Mitigating Sediment Transport Problems through Flow Modifications

Pavements

6. Computer-Based Pavement Distress Identification System

FEDERAL RAILROAD ADMINISTRATION (FRA)

Safety

1. Automated Rail-Based Wheel Gauge
2. Train Detection

MARITIME ADMINISTRATION (MARAD)

Maritime Operations

1. Ship and Terminal Operations

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)

Crashworthiness

1. Advanced Glazing Materials
2. Advanced Child Safety Seats

Crash Avoidance

3. Unobtrusive Psychophysiological Monitoring of Driver Alertness

UNITED STATES COAST GUARD (USCG)

Navigation Systems

1. Universal Junction Box for Navigation Sensors

Marine Safety

2. Plugging/Patching

Exploratory Development

3. Radar Detection of Search and Rescue Targets
4. Development of Objective Analysis of Oceanic Data for the USCG Trajectory Models
5. Fast Water Oil Containment

PROTECTION OF FORM 41 AIRCRAFT DATA

Mr. CARR. In January, several airlines requested that RSPA reconsider a decision to treat as confidential certain Form 41 data pertaining to newly acquired and newly retired aircraft and engines under negotiated purchase and sales agreements. The airlines argue that the release of this information will give competitors an unfair advantage in negotiating their own aircraft acquisitions. What was the basis for your decision to deny their request?

[The information follows:]

RSPA denied the request for reconsideration because the airlines had not demonstrated the alleged competitive harm, they had submitted no new evidence, and the data at issue already had been released to the public.

AIRLINE TARIFF FILING FEES

Mr. CARR. RSPA has reported a significant increase in airline tariff filings between January and April 1992. How much in airline filing fees was collected in fiscal year 1992, and what are your current estimates of fee revenue for each of fiscal years 1993 and 1994?

[The information follows:]

Slightly more than $700,000 of combined paper/electronic tariff user fees were collected in FY92 (as shown below), and on that basis, user fee collections are not expected to exceed $1 million in FY 93 and FY 94, due to a variety of factors which tend to diminish the number of filings. These factors include a reduction in intensity of fare war filings and actions taken by DOT to reduce extraneous tariff filings that are not required by the Federal Aviation Act.

Actual Fiscal Year 1992 Estimate Fiscal Year 1993–94: Electronic Tariff System [ETS]

Actual Fiscal Year 1992—Total fees	$724,916
Total estimated for Fiscal Year 1993—Total fees	728,000
Total estimated for Fiscal Year 1994—Total fees	783.000

AIRLINE STATISTICS BUDGET

Mr. CARR. Please detail the total budget and sources of funding used to support the airline statistics program in fiscal year 1993 and planned in fiscal year 1994.

[The information follows:]

	Fiscal Year 1993	Fiscal Year 1994
Full-time permanent positions	22	22
Budget items (thousands)		
PC&B	1564	1492
Administration costs	84	82
Operations programs (information management)	300	289
Total operations	1948	1863
Reimburseable programs		
FAA	500	500
Back, Inc.	46	
DBP, Inc.	2.15	
ATA	6	
Total reimbursement	573.5	500
Total DAI/OAS Program	2,521.5	2,363

Mr. CARR. Will all existing airline statistics data bases be maintained in fiscal year 1993 and fiscal year 1994 under your request?

[The information follows:]

Yes, data bases supporting OST and the FAA have the highest priority for allocation of our FY93 and FY94 funding. We are in the process of reviewing all of the data bases and associated deliverables to determine the best cost and benefit match.

AVIATION DATA REQUIREMENTS

Mr. CARR. What aviation data needs have been identified by RSPA, the FAA or OST but are not currently being met through existing aviation information data bases?

[The information follows:]

There are four areas that have been identified:

1. FAA has requested that we collect aircraft tail number, wheels up and wheels down time for each flight in the On-Time Flight Performance Reporting System. The rule is now in the process, but behind schedule. Originally, we planned to have the carriers file this data beginning January 1, 1993. Because of other higher priority matters and loss of staff, it will be January 1, 1994 or later before the rule is in place.
2. The IG and OST have identified areas in the Passenger Origin-Destination Survey that need to be revised. The IG wants us to review the 10 percent sampling technique. OST has asked that we review the carriers' reporting for trip passes. The conjunction points and carrier of transport are not being reported when the carrier issues a trip pass in conjunction with the ticket. Further, the reporting for code-sharing tickets along with funnel flights must be reviewed.
3. The Office of Airline Statistics has identified the traffic reporting by commuter and small certificated air carriers on Form 298-C as an area that can probably be revised which will save some reporting burden and provide more accurate data for OST programs.
4. The impact on our data systems of the cooperative agreements between U.S. air carriers and foreign air carriers, like USAir and British Airways, needs to be reviewed.

Other aviation data needs which were identified in the FY92-94 budget submissions, but are not currently being met included:

1. Aircraft capacity for foreign carriers, both passenger and cargo (needed by OST);
2. Traffic carried on small aircraft (with a capacity of 60 seats or fewer, or 18,000 pounds or less cargo capacity) by foreign carriers (needed by OST);
3. Traffic originating or terminating beyond the homeland of the reporting carrier, when an itinerary includes the homeland of the reporting carrier (needed by OST);
4. Wheels on and wheels off times, and aircraft identification ('N' numbers) in the Air Carrier Delay Disclosure Data system (needed by FAA);
5. Reporting of flights delayed for mechanical problems in the Air Carrier Delay Disclosure Data system (needed by OST).

PC&B ESTIMATES

Mr. CARR. Please explain how you arrived at your fiscal year 1994 budget request for personnel compensation and benefits, including the criteria, assumptions and formulas making that estimate, similar to the data provided on page 364-5 of last year's hearing record.

[The information follows:]

The FY 1994 PC&B request was derived through the use of a redesigned payroll model, the assumptions of which were reviewed within the Department. This model incorporated individual payroll data for each RSPA employee onboard for the pay period ending December 26, 1992. The model calculated an estimate based on the number of paid days in FY 1994. Adjustments were made to reflect cost increases and decreases for authorized vacancies and FTE reductions, respectively.

A cumulative factor of 25 percent was used to reflect related items such as standard FERS and CSRS retirement, health insurance, life insurance, FICA, Medicare, TSP contributions, Transit Fare Subsidy, locality pay adjustments for employees in Alaska, etc.

Additional detail concerning assumptions and criteria used to calculate the FY 1994 PC&B estimates are listed below:

Vacancies—Specific estimates were added for each vacancy, ranging from GS-7 to GM-13.

FTE reductions—Average costs per FTE were subtracted from the base, at $67 & $66 thousand for the Research and Special Programs appropriation, and the Pipeline Safety appropriation, respectively.

Within grades—Specific estimates were added for each eligible employee.

Career ladder promotions—Specific estimates were added for each eligible employee.

Awards and overtime—Estimated by office at approximately 2 percent of base pay.

OFFICE ADMINISTRATIVE COSTS

Mr. Carr. Please also provide a breakdown of office costs for each RSPA office and organizational unit, updating the charts on pages 366–367 of last year's hearing record.

[The information follows:]

AdministrativeCosts

(in thousands of dollars)

Office of the Administrator	FY 1993 Estimate	FY 1994 Request
Personnel Compensation & Benefits	403	538
Administrative	22	21
Travel	8	7
Training	3	3
Supplies and materials	4	4
Equipment and furniture	4	4
Printing and reproduction	3	3
Total	425	559

(in thousands of dollars)

Office of Civil Rights	FY 1993 Estimate	FY 1994 Request
Personnel Compensation & Benefits	115	122
Administrative	25	24
Travel	7	6
Training	3	3
Supplies and materials	5	5
Equipment and furniture	8	8
Printing and reproduction	2	2
Programs	10	9
Total	150	155

(in thousands of dollars)

Office of Chief Counsel	FY 1993 Estimate	FY 1994 Request
Personnel Compensation & Benefits	838	1,057
Administrative	26	25
Travel	7	8
Training	4	6
Supplies and materials	3	0
Equipment and furniture	6	8
Printing and reproduction	6	3
Total	864	1,082

Office of Policy and Programs	(in thousands of dollars) FY 1993 Estimate	 FY 1994 Request
Personnel Compensation & Benefits	303	366
Administrative	27	26
Travel	7	7
Training	3	3
Supplies and materials	3	5
Equipment and furniture	6	6
Printing and reproduction	8	5
Total	330	392

Office of Management and Administration	(in thousands of dollars) FY 1993 Estimate	 FY 1994 Request
Personnel Compensation & Benefits	1,528	1,615
Administrative	37	46
Travel	10	10
Training	4	6
Supplies and materials	9	10
Equipment and furniture	8	14
Printing and reproduction	6	6
Programs	28	470
Total	1,593	2,131

RSPA–wide accounts	(in thousands of dollars) FY 1993 Estimate	 FY 1994 Request
Communications, Utilities, Misc. Charges & WCF	2,524	2,036

TRAVEL ESTIMATES

Mr. CARR. Please provide a chart showing the fiscal year 1994 budgeted amounts for travel per FTE staff year, by RSPA office or organizational unit, similar to the data on pages 368 of last year's hearing record.

[The information follows:]

Fiscal Year 1994 request for travel per FTE staff year (in thousands of dollars)

	Amount
Office of Hazardous Materials Safety	$3.241
Office of Airline Statistics	0.394
Office of Emergency Transportation [1]	10.286
Office of Research and Technology	1.462
Office of the Administrator	1.400
Office of Chief Counsel	0.571
Office of Civil Rights	3.000
Office of Policy and Program Support	1.750
Office of Management and Administration	0.556
Office of Pipeline Safety	7.925

[1] Includes travel for annual training programs in each of the ten regions, transportation to Washington D.C. for 2–3 regional representatives to attend the annual Emergency Preparedness Conference, and for overseas travel related to NATO activities.

POLITICAL APPOINTMENTS

Mr. CARR. Also update the listing of RSPA political appointees and salaries as shown on page 368 of last year's hearing record.

[The information follows:]

RSPA POLITICAL APPOINTEES SALARIES

Position title	Type appointment	Salary
Fiscal year 1993 (planned):		
Administrator	EX III	$123,100
Deputy Administrator	NONCAREER SES	115,700
Associate Administrator for Research, Technology, and Analysis	GENERAL SES	111,800
Director of Program and Policy Support	Schedule C	73,269
Special Assistant to the Administrator	Schedule C	62,291
Fiscal year 1992:		
Administrator	NONCAREER SES	112,100
Deputy Administrator	NONCAREER SES	104,000
Associate Administrator for Research, Technology, and Analysis	GENERAL SES	90,000
Director of Program and Policy Support	Schedule C	56,427
Special Assistant to the Administrator	Schedule C	54,607
Fiscal year 1991:		
Administrator	NONCAREER SES	108,300
Deputy Administrator	NONCAREER SES	100,500
Associate Administrator for Research, Technology, and Analysis	GENERAL SES	87,000
Special Assistant to the Administrator	Schedule C	52,406

SES BONUS AWARDS

Mr. CARR. Please update the data on SES bonus awards shown on page 369 of last year's hearing record by providing data for fiscal years 1991–1994.

[The information follows:]

	Amount
Fiscal Year 1991:	
(2) awards of $8,342 at 8.0 percent	$16,684

	Amount
(1) award of $7,910 at 8.0 percent	7,910
(2) awards of $5,528 at 5.3 percent	16,584
	41,178
Fiscal Year 1992:	
(1) award of $13,158 at 12.15 percent	$13,158
(1) award of $8,772 at 8.10 percent	8,772
(1) award of $8,424 at 8.10 percent	8,424
(1) award of $5,523 at 5.10 percent	5,523
(2) awards of $5,304 at 5.10 percent	10,608
	46,485
Fiscal Year 1993: Estimated amount for bonus awards	$46,835
Fiscal Year 1994: Estimated amount for bonus awards	$46,835

COMMUNICATIONS AND OTHER ESTIMATES

Mr. CARR. Please provide a breakdown of your fiscal years 1993 and 1994 budgets for communications, utilities and miscellaneous charges, similar to that shown on page 373–374 of last year's hearing record.

[The information follows:]

Research and Special Programs

	FY 1993 Est.	FY 1994 Est.
	(dollars in thousands)	
In–house copiers & graphics	445	423
DOT day care policy	3	3
Central Employ. Info. Ofc.	3	3
Communications	641	607
Health & Fitness	23	19
Library	199	122
Parking Mangement	15	15
Mail/Messenger	28	28
OSHA	10	10
Security	50	53
Space Consolidation Team	51	50
Building Management	121	71
Motor Pool	36	26
Warehouse	15	15
Mail	198	200
Securities & Investigations	67	45
Workers Comp/Unemployment	132	132
Coast Guard Clinic	27	27
Uniform Payroll System	57	57
Employee Counsling Services	20	18
Civil Rights Programs	9	9
OST Reimbursables	59	46
Accounting Operations	317	57

Pipeline Safety

	(dollars in thousands)	
	FY 1993 Est.	FY 1994 Est.
In–house copiers & graphics	247	273
DOT day care policy	2	2
Central Employ. Info. Ofc.	2	2
Communications	290	341
Health & Fitness	12	10
Library	69	73
Parking Mangement	8	8
Mail/Messenger	15	15
OSHA	5	5
Security	26	30
Space Consolidation Team	27	26
Building Management	86	89
Motor Pool	18	14
Warehouse	8	8
Mail	102	118
Securities & Investigations	35	29
Workers Comp/Unemployment	68	83
Coast Guard Clinic	14	18
Uniform Payroll System	30	38
Employee Counsling Services	11	10
Civil Rights Programs	5	5
OST Reimbursables	31	47
Accounting Operations	163	30

SLUC CHARGES

Mr. Carr. Please update the data on field and headquarters standard level user charges shown on page 376 of last year's hearing record.

[The information follows:]

Standard Level User Charges
RSPA–Headquarters

	FY 1988 actual	FY 1989 actual	FY 1990 actual	FY 1991 actual	FY 1992 actual	FY 1993 estimate	FY 1994 estimate
Square Footage	39,928	46,716	52,375	52,926	56,098	62,690	62,690
Authorized Positions	161	179	189	203	233	238	239
Other Than Full–Time Permanent and Contractors	66	150	167	185	213	231	235
Utilization Rate	176	142	147	136	125	133	132
SLUC Charges (in thousands) **	1,022	1,047	1,288	0	0	0	0
Avg. SLUC per SQ. Footage **	26	22	25	0	0	0	0

** SLUC funds were requested in OST's budget.

Standard Level User Charges
RSPA–Field Offices

	FY 1988 actual	FY 1989 actual	FY 1990 actual	FY 1991 actual	FY 1992 actual	FY 1993 estimate	FY 1994 estimate
Square Footage	6,471	6,471	6,406	7,478	7,918	9,418	11,182
Authorized Positions	25	25	25	31	42	49	49
Other Than Full–Time Permanent and Contractors	0	0	0	0	0	4	11
Utilization Rate	259	259	256	241	188	177	186
SLUC Charges (in thousands) **	46	48	52	0	0	0	0
Avg. SLUC per SQ. Footage **	7	7	8	0	0	0	0

** SLUC funds were requested in OST's budget.

OTHER SERVICES COSTS

Mr. CARR. Please provide a detailed list of your "other services" costs for each of fiscal years 1992–1994, similar to the table shown on page 377 of last year's hearing record.

[The information follows:]

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
(dollars in thousands)

	FY 1992 * Enacted	FY 1993 Enacted	FY 1994 Request
Hazardous Materials Safety:			
Information Systems	$500	$1,000	$1,000
Research and Analysis	150	300	300
Inspection and Enforcement	95	140	230
Rulemaking Support	241	550	550
Hazmat Training	254	350	350
Information Dissemination	197	170	170
Emergency Preparedness	75	250	250
Sanitary Food Safety	190	150	150
International Standards	0	0	140
HMTUSA	1,100	0	0
Registration Program	1,900	1,232	1,100
Research and Development	1,248	1,334	1,400
Airline Statistics:			
Research/Systems Analysis	18	18	18
Enforcement	30	30	30
Data Services Consultation	24	24	24
Information Processing	228	228	217
Electronic Tariff Filing**	1,000	1,000	1,000
Emergency Transportation:			
Operational Readiness	40	38	80
Transportation Resource Mgmt	50	50	50
Crisis Management	0	0	154
Research and Development	73	0	0
Research and Technology:			
Research and Development	350	350	685
Program Support:			
Civil Rights	4	4	4
Drug Program	6	6	5
Budget, Financial Mgmt & IRM	153	178	470
Pipeline Safety:			
Information Systems	61	402	402
Risk Assesment & Tech Studies	85	130	355
Compliance	75	76	76
Training and Info. Dissemination	604	855	871
Emergency Notification	100	50	100
Implementation of Oil Pollution Act	0	0	2,520
Research and Development	850	700	975

*Includes Congressional reprogramming.

**Electronic Tariffs $1 million contract program is fully funded by a credit in the appropriation language, which is treated as an offsetting collection.

PROGRAM SUPPORT POSITIONS

Mr. Carr. For each of the 45 positions shown on page 99 of your justifications under "program and administrative support" please list their title and salary level, similar to the data shown on page 418 of last year's hearing record.

[The information follows:]

EXECUTIVE DIRECTION

Administrator	123,100
Deputy Administrator	115,700
Special Assistant	62,291
Staff Assistant	44,327
Secretary	38,763

POLICY AND PROGRAMS

Director, Policy and Programs Office	73,269
Program Analyst	69,239
Program Analyst	58,515
Writer/Editor	44,327

CIVIL RIGHTS

Equal Opportunity Specialist	65,955
Equal Opportunity Specialist	27,789

CHIEF COUNSEL

Chief Counsel	92,900
Supervisory Attorney–Advisor	81,364
Supervisory Attorney–Advisor	80,686
Attorney–Advisor	73,924
Attorney–Advisor	66,031
Attorney–Advisor	52,711
Attorney–Advisor	52,711
Attorney–Advisor	47,920
Attorney–Advisor	43,712
Attorney–Advisor	43,712
Attorney–Advisor	40,298
Attorney–Advisor	38,107
Admin. Assistant	36,723
Secretary	36,723
Clerk–Typist	19,123

MANAGEMENT AND ADMINISTRATION

Associate Administrator	107,300
Resource Management Officer	77,809
Personnel Officer	74,689
Assistant Personnel Officer	70,021
Management Analyst	69,533
Contract Officer	68,829
Financial Manager	67,954
Computer Specialist	66,030
Office Services Manager	58,515
Asst. Contract Officer	58,413
Accountant	51,114
Personnel Management Specialist	49,517
Budget Analyst	47,920
Support Services Specialist	42,984
Contract Specialist	41,641
Program Analyst	38,107
Contract Specialist	34,744
Personnel Management Specialist	33,623
Secretary (Typing)	30,287

List includes full time permanent salaries only. No benefits, awards, or non permanent positions were included, which are part of the Program Support PC&B request.

COSTS FOR CIVIL RIGHTS INVESTIGATIONS

Mr. CARR. Page 102 of the justifications indicates that RSPA will need to contract out for required investigation services, mediation and arbitration, but "given the current level of funding, RSPA will be unable to fulfill this obligation." Please elaborate on how you plan to handle official civil rights complaint investigations in 1994.

[The information follows:]

Investigation of each formal complaint will be contracted out on a case-by-case basis within available funding levels.

If the demand for additional investigations exceeded available resources, we would expect to make use of other funding sources available to the Civil Rights Office.

MANAGEMENT INITIATIVES

Mr. CARR. Page 105 of the justifications references RSPA's fiscal year 1994 Management Initiatives. Please provide some elaboration to identify these management initiatives.

[The information follows:]

The management initiative RSPA proposes for fiscal year 1994 is to transfer accounting services from the Office of the Secretary to the Federal Aviation Administration. This initiative will substantially reduce costs for accounting support and is expected to improve accounting services over the present level.

DOT R&D BUDGET

Mr. CARR. What is DOT's annual budget for R&D and what has been RSPA's effectiveness in shaping Departmental research priorities and research management?

[The information follows:]

In FY 1992 budget authority for DOT research and development was $559.4 million; in FY 1993, budget authority was $646.7 million; and in FY 1994 the President's budget request for Departmental R&D is $687.8 million.

In response to the second question, RSPA does not set research priorities or guide research management for the other modes. However, RSPA plays a leadership role in R&D management and as adviser to the Secretary. It coordinates programs, analyzes program budgets to prevent duplication, and chairs the Department's Research and Development Council.

DOT HIGH-SPEED RAIL & IVHS ESTIMATES

Mr. CARR. The President's budget includes significant additional funding for research and development investments in high-speed rail transportation and intelligent vehicle/highway systems. To what extent were these research and development priorities imposed on the R&D planning process, as opposed to being a product of it?

[The information follows:]

FHWA has had substantial prior involvement with Intelligent Vehicle Highway Systems (IVHS), contributing to Congressional interest. However, the level of funding authorized in ISTEA for IVHS in FY 1993 was substantially higher than the DOT request. High speed ground systems research and development was largely the result of a Congressional initiative. It represented an addition, rather than a conflict with other priorities.

Except for initial planning in the FHWA, the IVHS program, involving FTA and NHTSA as well as significantly more funding for FHWA, was largely imposed by the ISTEA rather than being the outgrowth of ongoing research.

VOLPE CENTER ROLE IN DOT R&D

Mr. CARR. What role did the Volpe Center play in helping the Department identify key transportation R&D and investment decisions?

[The information follows:]

The Volpe Center is increasingly being asked by its clients to become involved in front-end planning and trade-off analyses in the mode's identification of their key R&D programs and investment decisions. In addition to its regular participation in the Transportation Systems Acquisition and Review Council (TSARC) process, the Center has been involved in the recent study on the Federal Aviation Administration's Advanced Automation System, prioritizing the investments in the Coast Guard's vessel traffic services, optimizing buoy tender acquisition, developing cost-benefit analyses of improvements to the Northeast Corridor rail system from Boston to new York, and analyzing Amtrak finances and the steps that would be needed to attain Amtrak self-sufficiency.

VOLPE CENTER ORGANIZATIONAL PLACEMENT

Mr. CARR. Given the increasing focus on intermodalism within the Department, do you believe that the current organizational structure of the Department, which places the Volpe Center under RSPA, permits the most effective use of the Center's multimodal perspective and expertise?

[The information follows:]

Yes, we believe the current organizational structure permits an effective use of the Center's multimodal perspective and expertise. Many of RSPA's programs are intermodal and multimodal and the Volpe Center's placement is ideally located.

Although the Volpe Center is organizationally a component of RSPA, the Center has been able to work directly with clients in the operating administrations on cross-cutting technologies common to several modes such as: energy conservation, environmental preservation and cleanup, human factors, navigation, logistics management, etc.

DOT INTERMODALISM

Mr. CARR. What efforts do you believe are needed at the departmental level to ensure that the increased R&D investment will be used to address effective solutions to transportation problems from an multimodal perspective?

[The information follows:]

The Secretary has indicated that R&D is one of his highest priorities and that the Department will whole-heartedly support the President's commitment to the effective use of technology to meet national objectives. Sound technological investments can promote efficiency, international competitiveness and long-term economic growth that creates jobs and protects the environment. A multimodal perspective is assured by the Secretary's announced intention of assigning the Deputy Secretary as a strong proponent of Departmental R&D, and his active support for the R&D Coordinating Council and participation in its activities.

RESPONSIBILITY FOR DOT R&D COORDINATION

Mr. CARR. Should responsibility for coordinating R&D be at a higher level within the Department, perhaps in the Secretary's office?

[The information follows:]

The Secretary is determined to increase the visibility of the Department's R&D program. Early in his term, the Secretary expressed interest in Departmental research and development and is considering several options. In addition, the Secretary is assuming a leadership role in strategically steering transportation research and development within the Federal Government.

RSPA ROLE IN BUREAU OF TRANSPORTATION STATISTICS

Mr. CARR. To what extent has RSPA been involved in the establishment of the new Bureau of Transportation Statistics?

[The information follows:]

RSPA has been involved in the establishment of the new Bureau of Transportation Statistics through the Volpe Center. In February/March 1993, RSPA/Volpe Center and the Bureau of Transportation Statistics (BTS) signed a Project Plan Agreement (PPA). As part of this agreement, RSPA/Volpe Center will develop an electronic inventory of transportation data sources, conduct a scoping study for a data element dictionary, create a contact list of current transportation data experts by subject, and produce and publish the "National Transportation Statistics" Annual Report to include historical data. The PPA also calls for the Volpe Center to assist the BTS with statistical coordination to include performing tasks for the development of its "Transportation Statistics Annual Report" to Congress, assist with administering its roles as Chair of the Transportation Data Coordinating Committee and Federal Interagency Transportation Statistics Committee, establish a data "hotline" to assist the BTS in providing quick-response capability to answer government and public inquiries, respond to OMB's request for statistical information, and other adhoc requests.

As part of the above agreement, the RSPA/Volpe Center will in addition develop an electronic inventory of transportation data sources that will include all current transportation information databases within the Department of Transportation, other Federal agencies, and private firms that compile transportation information. Upon completion of this inventory, BTS will have a greater knowledge and understanding of the types of transportation databases in existence and will then be able to decide which databases are most beneficial to its purpose. BTS is not currently linked to any databases.

AVIATION STATISTICS ORGANIZATIONAL PLACEMENT

Mr. CARR. Should any of RSPA's data bases, such as those in the office of aviation statistics, be transferred to the new Bureau?

[The information follows:]

No, the current organizational arrangement is satisfactory. The data maintained and verified by RSPA can be provided to the Bureau and accessed in the same way other customers are currently obtaining the data.

In addition to cost considerations, the data itself is strictly single mode, i.e., aviation data, not intermodal or multimodal in nature. Since the major mission of the BTS is to focus on multimodal information, it is unlikely that the Bureau should act as a repository for the single mode data.

ECONOMIC ANALYSIS FOR R&D PROJECTS

Mr. CARR. As some of you may know, I have been spending some time with the other modal administrations, and with experts in the field, discussing investment criteria for transportation infrastructure projects. My interest is in ensuring that we achieve the best rate of return possible on the public dollars we commit to transportation infrastructure.

Dr. John, I would be interested in hearing your views on what the state of the art is regarding techniques for evaluating transportation projects from based on economic criteria. I am especially interested in whether techniques have been developed which effectively enable the evaluation of the projects across modes, for example, the economic benefits of a new runway at an airport versus a new fixed light rail system? Can you comment?

[The information follows:]

Existing economic analysis techniques, in particular cost-benefit assessments and impact analysis, are well suited for the assessment of most transportation investment questions. The techniques provide a conceptual and theoretical framework for well structured analyses that objectively assess the costs, benefits and impacts associated with major R&D or infrastructure investments.

The techniques are constrained, however, due to the limited availability of data and the highly subjective nature of economic evaluation criteria (as opposed to dollar-based return on investment analysis performed by the private sector). Also, the analytical process is not straight forward or easily transferred across modes and is made even more difficult when comparing different transportation markets or functions.

Many investment decisions are based on criteria other than purely economic. This has resulted in numerous cases of poorly executed and applied analyses. Participants in the decision process (beneficiaries and providers) often value the measurable benefits and costs associated with investments very differently resulting in conflicting economic conclusions. Also, many transportation investment proposals are presented as all-or-nothing options without any consideration as to whether other feasible or practical options exist such as utilizing other forms of transportation or applying better management techniques to an existing transportation system.

Since most public sector investment decisions are based in some part on capturing macro level or societal benefits in order to justify their costs, it is difficult to assess the benefits of one transportation investment versus another at the macro or national level. The state of the art can be improved through providing better data and information on the performance of the transportation system, developing rigorous cost-benefit analytical approaches which will be applied to all transportation project investment decisions, and increased research on the link between investments at the micro level versus macro impacts and policy requirements.

NON-DOT PROJECTS AT VOLPE CENTER

Mr. CARR. Since fiscal year 1981, the Volpe Center has increasingly taken on projects for non-DOT agencies. About two-thirds of the Center's work now supports the DOT and about one-third supports other agencies, principally the Defense Department. Do you believe that this represents an appropriate mix?

[The information follows:]

Yes, the mix appears to be reasonable. Although about one-third of the Center's annual obligations are made in support of non-DOT-sponsored projects, less than one-fifth of our technical labor force is assigned to this work. In addition to fulfilling the Secretary's commitment to assist other Federal agencies in transportation technologies, the work produces technical knowledge and experience that is useful in supporting our DOT clients.

As the largest customer of commercial transportation user services, the Defense Department affords DOT important insights into customer needs and demands for future transportation services and technologies. Center work related directly to systems and technologies include: containerization, intermodal management, vehicle and cargo tracking, transfer optimization, just-in-time delivery, and logistics systems integration.

DOT SPONSORS AT VOLPE CENTER

Mr. CARR. To what extent are you unable to meet the demands for assistance from the various modal administrations within DOT?

[The information follows:]

Every effort is made to meet all DOT modal administration project demands which the Center has the technical capabilities to support. DOT projects which would require skills currently being applied to non-DOT projects are never turned away on the basis of unavailable Center capabilities.

STATE-LOCAL SPONSORS AT VOLPE CENTER

Mr. CARR. Your 1991 strategic plan indicated that you hoped to provide more strategic and technical assistance to state and local governments. How many staff-years are devoted to work that Volpe is conducting for state and local governments?

[The information follows:]

Less than one staff year is devoted to direct support to state and local governments.

VOLPE CENTER PRIORITIES

Mr. Carr. How do you balance workload priorities among your various clients? Are priorities established solely by Volpe or is their guidance from OST when priorities are unclear?

[The information follows:]

Once a project is accepted, all client priorities are met. If a sponsor requests that one of its projects be given priority, Center managers contact senior management within the sponsoring organization to establish priorities among all of this sponsor's projects at the Center. In practice this approach has always resolved such issues.

VOLPE CENTER STAFFING

Mr. Carr. From time to time, we hear about the need to increase the full-time equivalent (FTE) positions authorized for Volpe. As you know, the fiscal year 1993 transportation appropriations bill does not include an FTE ceiling for Volpe. Page 195 of the justifications indicates that the current FTE ceiling at Volpe is 576 FTE and the same number is requested for fiscal year 1994. How was your fiscal year 1993 ceiling determined?

[The information follows:]

As with any other element in the Department, the Volpe Center FTE proposal is reviewed and integrated into the proposals of RSPA and then the entire Department for final approval by OMB.

VOLPE CENTER FLEXIBLE STAFF CEILING

Mr. Carr. In the past, you have proposed a flexible staff ceiling for Volpe. Have you abandoned that approach and why have you not requested an increase in your FTE ceiling for fiscal year 1994?

[The information follows:]

Because the Center is completely funded from its customers' appropriations, raising or lowering the Center's Federal staff ceiling is budget neutral. A flexible staff ceiling would permit the Center to adjust it's Federal work force up or down based upon demands for Center services. The flexible ceiling concept was combined with term appointments in a Congressionally approved Center initiative, the Gateway Program, to hire 20 recent graduates in transportation technical specialties. Though these recruits have proven tremendously productive, FTE have not been available to renew the Program. Since the Department plans significant cuts in Federal staff over the next few years, neither a flexible staff ceiling nor higher FTE ceiling for the Center were requested in the Administration's FY 94 Budget.

FTE LEVEL REQUEST FOR VOLPE CENTER

Mr. Carr. What would be the impact on the Volpe Center of maintaining its fiscal year 1994 FTE ceiling at its current level?

[The information follows:]

The Volpe Center now contracts out support services to the maximum practical degree, and makes extensive use of technical support contracts in performance of its projects. To depend any further on contracted resources without additional Federal Government technical personnel would compromise the quality of the work and the Center's ability to assure proper Federal oversight. As a result, continuation of the ceiling at its present level limits growth in the amount of work the Volpe Center can accept. Given the increasing scope of Departmental technology concerns, the complexity of issues associated with recent legislation, such as the Clean Air Act Amendment, Energy Policy Act, Intermodal Surface Transportation Efficiency Act, Americans with Disabilities Act, the Oil Pollution Act, and the R&D thrusts called for in the President's technology, the level of unsatisfied demand for Volpe Center services is expected to grow and work that might be handled by the Center may not be accepted.

VOLPE CENTER LAND USE REPORT

Mr. CARR. In its report accompanying the fiscal year 1993 transportation appropriations bill, the Senate requested a report by March 1, 1993, describing the proposals under consideration for further developing the DOT-owned land surrounding the Volpe Center. What is the status of this report?

[The information follows:]

The Volpe Center report is currently under review within the Department.

Mr. CARR. At one time, the City of Cambridge was interested in developing low-income housing on the site. Other development options have included a research park and a convention/conference center. What are your short- and long-term plans for future development of the site?

[The information follows:]

The Volpe Center, in FY 1992, conducted approximately $7 million of training for its sponsors. Because of its unique intermodal perspective, the Center is well positioned to provide multimodal training in such crosscutting areas as transportation's impact on the environment, human factors, and global competitiveness. To better accommodate these training services it already provides, and to meet future increased demand, the Center last year began exploring the possibility of establishing a transportation and logistics training complex on the site. Continued growth in the area of training is constrained only by a fix personnel ceiling and lack of an appropriate facility. To bridge the need for a facility, planning is underway to convert a portion of the Volpe Center's Building Two into a state-of-the-art training center. This will provide a locus for training efforts at the Center. Planning for this facility is still in exploratory stages.

A report on this subject, requested by the Senate Appropriations Committee, is currently under review. We will be please to furnish this Committee with a copy of the report when it is released.

TRANSFER OF DOD STAFF TO VOLPE CENTER

Mr. CARR. In February, Congressman Frank McCloskey requested Secretary Pena and the Office of Personnel Management to review the circumstances surrounding the transfer of a Pentagon official (William Rudman) to the Volpe Center. Apparently, this official was named a "senior technical advisor for defense programs" at the Volpe Center.

Why did you determine there was a need for a senior advisor for defense programs and what are the responsibilities of this position?

[The information follows:]

William Rudman is a Department of Defense employee detailed to the Department of Transportation at the Volpe Center for a period not to exceed one year beginning November, 1992. Mr. Rudman is to advise the Volpe Center Director and the Director, Office of Transportation and Information Resources Management on technical program initiatives of key importance to the Center and the Department of Defense.

OPM REVIEW OF DOD TRANSFER

Mr. CARR. What was the outcome of the Secretary's and OPM's review?

[The information follows:]

The Department's Office of the Inspector General is currently conducting an investigation regarding this matter at the request of Secretary Pēna and for further information will be forthcoming at the completion of the investigation.

IG REPORT ON UNIVERSITY TRANSPORTATION CENTERS

Mr. CARR. I would like to turn to the University Transportation Centers. RSPA acquired in 1991 the responsibility for managing this program from the Office of the Secretary. As you know, ISTEA mandated three new centers in addition to the existing ten centers.

In December 1992, the Inspector General issued a report on an audit of the University Transportation Centers Program in which she concluded that: DOT had only limited assurance that lead schools were operating as regional transportation centers, research conducted was effective, and 5 percent of funding was spent on technology transfer activities.

What actions have you taken in response to the IG's findings?

[The information follows:]

Much of the Inspector General's (IG) report addressed actions taken before the University Transportation Center (UTC) Program was transferred to RSPA. After considering RSPA's actions since then, the IG made only two recommendations. First, she recommended that RSPA, "[c]onduct a risk assessment of the UTC Program as part of RSPA's Management Control Plan." RSPA completed that assessment in September of 1992 and the UTC Program earned an overall risk assessment rating of "low".

The IG's second recommendation was that RSPA "[i]ssue guidelines for conducting periodic reviews of the UTCs to ensure that program objectives have been met before additional funding is awarded." RSPA has instituted strategic planning requirements under which each UTC must submit an annual plan of activities addressing each of the six DOT-defined goals of the Program. Once that plan is approved by the RSPA management team, it becomes the mechanism for measuring that Center's compliance with program objectives. RSPA has already established a system to monitor quarterly progress reports and a RSPA-led review team visits each Center at least once a year to review results of the current year's plan prior to coming to agreement on funding for the next year's action plan.

The IG's report concluded with the auditor's comment that RSPA's actions were responsive to the report's recommendations and that no further response was required.

UTC COORDINATION IN DOT

Mr. CARR. How is the University Transportation Centers Program coordinated with other research programs administered by the other modal administrations?

[The information follows:]

The University Transportation Centers (UTC) Program is funded by the Federal Highway Administration and the Federal Transit Administration. Both agencies have assigned personnel to work with RSPA as liaisons to the UTC Program. These three agencies provide the core of the management team which reviews the planned and actual work of the UTCs. They are augmented by representatives of the National Highway Traffic Safety Administration, the Assistant Secretary for Policy and International Affairs, and the Assistant Secretary for Management and Administration who provide assistance and advice with respect to highway safety, transportation policy and workforce diversity, respectively. Led by RSPA, these individuals comprise a grant coordination team which links the surface transportation research.

IG REPORT ON AVIATION STATISTICS

Mr. CARR. Last year the Inspector General completed several audits, at RSPA's request, to examine the accuracy and integrity of the airline statistical data submissions (Form 41 financial reports) submitted by Alaskan air carriers. The IG's audits uncovered significant problems with their statistical and financial data submissions. Some of this data is used by DOT for mail rate setting and regulatory purposes.

What have you done to address these problems?

[The information follows:]

The discrepancies found by the IG were satisfactorily resolved with respective carriers. The carriers were asked to refile their schedules correctly and to adopt internal controls to improve the quality of their reported data. In most cases, joint agreement and corrections were made prior to the next data submission. We have also issued reporting directives to clarify the reporting process.

Mr. CARR. The IG has also indicated that she plans to conduct 9–12 additional audits of airline financial and economic data to assess their accuracy. As you know, this data is critical information for policy and rulemaking by OST and FAA.

Is there a serious problem with the reliability and validity of this information?

[The information follows:]

No, the reliability on the whole is quite good. We believe that audit oversight will improve the data. The commuters and small certificated carriers have more problems with our requirements than the larger carriers, such as majors, nationals and large regional. This is because their staffs are small and are subject to high turnover. The larger carriers spend more resources on their accounting and reporting requirements and normally have outside audits performed annually, which lead to better quality data.

CORRECTIONS TO AVIATION STATISTICS DATA

Mr. CARR. When you discover problems with missing or inaccurate data, what steps do you take to correct them?

[The information follows:]

Correction routine is a two-step process. Step one consists of contacting appropriate airline personnel to make sure they are aware of our concerns as to the accuracy of the data. Either telephone, FAX, or mail is used to establish timely communications to obtain a mutually satisfactory explanation and resolution to the data problem(s). The explanation might involve a simple statement of a change in operations, corrections of the data by OAS staff or a complete refiling by the carrier. Each submission is subjected to a rigorous edit. The OAS staff generally does not request the carrier to correct data more than 2 years old because the data are already in the public domain and small carriers usually do not have the resources to maintain their archives to make corrections.

Step two consists of formally advising the carriers to begin reporting their data correctly beginning with the current period. If the reporting requirement can be misinterpreted, the OAS will issue an accounting and reporting directive to clarify the data reporting requirements.

REPORTING MECHANICAL DELAYS BY AIRLINES

Mr. CARR. RSPA has proposed rulemaking to augment airline on time flight performance reporting to include reporting of delays due to mechanical problems, as well as aircraft tail numbers, and wheels-up and wheels-down times.

I understand that reaction from the airlines has been mixed. Some of the airlines apparently believe that including information on mechanical delays will have a negative impact on safety practices, while others do not believe that safety is a concern.

Would you comment on why you believe collecting this additional data is a good idea?

[The information follows:]

The collection of data for all flights, including those with delays due to mechanical problems, was one of the major recommendations that grew out of a detailed audit of all aspects of the Quality of Airline Service system by OST's Office of the Inspector General. The data items would enhance the Department's ability to identify sources of delays within the air traffic control system.

As explained in the notice of proposed rulemaking (57 FR 58755–58757, December 11, 1992), including the reporting of delays caused by mechanical problems would provide the consumer with much better data on which to make his/her decision for purchasing air transportation since the data base will be complete. Eliminating this exclusion will save the reporting carriers from $185,000 to $370,000 since mechanical delays would not have to be sorted from other delays.

The FAA would use the wheels-up and wheels-down times in conjunction with the gate departure and gate arrival times for modeling purposes to reduce ramp delays, enroute delays and airport delays. In 1990, FAA estimated delays were costing the industry and the public $8.5 billion annually. A mere 1 percent reduction in delays would provide a savings of $85 million. It is estimated this change and annual reporting costs would be less than $50,000 collectively.

AIRLINE COMMENTS ON MECHANICAL DELAY PROPOSAL

Mr. CARR. Please summarize the comments that you have received from the airline industry?

[The information follows:]

COMMENTS ON PART 234 ON-TIME FLIGHT NPRM

RESPONDENT	**SAFETY**	**INCLUDING MECHANICALS**	**COLLECTING ADDITIONAL DATA**
Air Transport Association	Proposal will not induce carriers to dispatch aircraft that are not airworthy	Will give consumers better picture of delay activity	Opposes addition of tail number but supports wheels up/down time to reduce airport congestion although it believe government should add this data at no costs to carriers
Southwest	NPRM negatively impacts safety, no guarantee a worker committed to safety will be unaffected by desire to ensure on-time flight	Collecting mechanicals is duplicate reporting; if data on mechanicals cannot be protected, than it should not be collected	No comment
Delta	Based on its experience, no impact on safety	Strongly endorses the inclusion of mechanicals Current rule punishes carriers with better dispatch reliability	Believes FAA has data, but in different format.
American	Carriers do not risk safety of passengers for competitive reasons	Supports the elimination of the mechanical exclusion	Supports the collection of the additional data items and proposes the collection of equipment type
Alaska	No comment	No comment	Would like Part 234 terminated FAA should compile the data
Northwest	NPRM creates conflict between safety and on-time performance	Keep the current rule which excludes mechanicals	No comment
America West	NPRM creates safety risk	Keep the current rule which excludes mechanicals	No comment

MECHANICAL DELAY FINAL RULE

Mr. CARR. When do you anticipate issuing a final rule?

[The information follows:]

By the end of fiscal year 1993.

ON-TIME FLIGHT PERFORMANCE REPORTING

Mr. CARR. When the FAA was here on Tuesday, I asked them whether the on-time flight performance data could be broken out by airport, to provide the public with accurate information on which airports have the best performance. The FAA indicated that this could be done, but RSPA actually collects the data, is that right?

[The information follows:]

RSPA's Office of Airline Statistics does collect the data and maintain the data base. The data is already summarized by airport in Table 7 of the monthly Consumer Publication "Air Travel Consumer Report."

Mr. CARR. What would be required to provide the data by airport?

[The information follows:]

RSPA's Office of Airline Statistics does collect the data and maintain the data base. The data is already summarized by airport in Table 7 of the monthly Consumer Publication "Air Travel Consumer Report."

ETF RULEMAKING

Mr. CARR. The Inspector General reported in an August 1992 audit of the Electronic Tariff Program (ETF) that the ETF Program benefitted both the federal government and the airlines through increased productivity and reduced costs.

Page 71 of your justifications indicates that "In fiscal year 1994 RSPA will attempt to finalize a rulemaking to complete the automation of the tariff filings. We expect this to save the industry an additional $3 million each year, which combined with the $12 million of savings from the partial electronic filing already approved will save about $15 million each year."

If that is the case, I would think that the airlines would strongly embrace your proposal. Recent press accounts have indicated, however, that RSPA has decided to withdraw proposed rules to fully automate electronic filing of passenger and cargo fares and tariffs. Is that accurate and, if so, what is the basis for your decision?

[The information follows:]

RSPA withdrew the tariff NPRM proposals on March 4, 1993, (58 FR 12350). The NPRM issued on October 15, 1992, would have allowed air carriers and foreign air carriers to file all tariffs electronically instead of on paper. RSPA authorized electronic filing of passenger fares in 1989, and the NPRM would have authorized passenger rules and cargo rates and rules to be filed electronically. An industry electronic tariff filer and a number of air carriers asked for more time to review the NPRM, and a public meeting to discuss potential costs and effects of the proposals in the NPRM. On February 3, 1993, RSPA held a public meeting to discuss the NPRM. Industry commenters, including representatives from major air carriers, computer reservations systems, and filing agents, expressed significant concerns about the feasibility, costs, and benefits of the proposals in the NPRM. RSPA concluded that the NPRM should be withdrawn, and RSPA is reassessing electronic tariff filing in light of industry comments.

ETF COLLECTIONS

Mr. CARR. How will your decision to withdraw the rulemaking affect your budget request of up to $1.0 million for tariffs automation, which assumes an offsetting collection of $1.0 million in user fees from the industry?

[The information follows:]

The withdrawal of the rulemaking is expected to have no impact on the budget. Tariff automation has been planned as a multi-year project, with RSPA committed to expend no more than is collected in user fees each year.

Since automation progress is contingent upon the user fees actually collected, if RSPA collects only $700,000 of user fees in FY 94, as it collected in FY 93, for instance, only expenditures of up to that amount would be undertaken to maintain the current system and to move forward with the plan for the tariff automation and modernization effort.

CIVILIAN USE OF GPS

Mr. CARR. On Tuesday, I talked a bit with the FAA during their budget hearing about civil use of GPS in aviation transportation. The FAA indicated that it is participating on a DOT/DOD task force that is exploring joint military/civil GPS operations. Your budget justifications (page 96) indicate that RSPA concluded a Memorandum of Agreement between DOT and DOD on the civil use of GPS.

What can you tell us about the agreement, and can you update us on issues pertaining to accuracy, security and control of the system?

[The information follows:]

The cited Memorandum of Agreement is concerned with "Civil Use of The Global Positioning System" and was concluded on January 8, 1993. Its purpose is to define policies and procedures to ensure an effective working relationship between the Department of Defense (DOD) and the Department of Transportation (DOT) regarding the civil use of GPS. The agreement is based on the understanding that DOD is the provider of GPS and that DOT is to furnish the necessary governemnt interface services to civil users.

The FAA reference to a DOT/DOD task force is most likely concerned with a separate initiative begun in late 1992. The DOT Navigation Council, chaired by the RSPA Administrator, took action to get all elements of DOT together to consider the potential merits of joint DOT/DOD ownership and operation of GPS.

By agreement between secretaries Peña and Aspin, a DOT/DOD task force is being put in place to address such issues as shared ownership, the civil implications of military control, long term funding, continued use of selective availability (i.e. denying the higher of two accuracy levels to civil users), and the effects of these factors on GPS acceptance by international users such as the world's airlines. A task force report is planned for November 1993.

EUROPEAN RESISTANCE TO GPS

Mr. CARR. I understand that the European community is reluctant to accept GPS as the international standard if GPS is controlled by the military. Which countries are not likely to participate in GPS?

[The information follows:]

The most active international forum concerning global navigation is that of aviation interests. In September 1991, the International Civil Aviation organization (ICAO) reached agreement that a future world-wide system of air traffic management (including navigation) would be based largely on satellite technology. At that time, the Federal Aviation Administration offered free worldwide usage of GPS for ten years; the Russians made a comparable offer of their GLONASS satellite navigation system for fifteen years. The future worldwide navigation system envisioned by

ICAO is referred to as the Global Navigation Satellite System (GNSS). GNSS has not yet been defined. Many international parties emphasize that GPS, as a costly U.S. system not optimized for civil use, is only a basic building block of GNSS, not GNSS itself. U.K. and French representatives are among those who have expressed through ICAO very serious concerns about reliance on GPS. In this connection, the Europeans note that other nations cannot predict the policies of future U.S. Administrations. Official positions are being worked out in an ongoing series of ICAO subcommittee meetings. International objectives being sought include: full participation as partners, assurance that system operation will not be arbitrarily withdrawn, and a sense that the inevitable future cost-sharing will be for an economical global civil system of choice.

TRANSPORTATION MODES USE OF GPS

Mr. CARR. The FAA indicated that it believes that aviation will be one of the smaller civil users of GPS. Which transportation modes do you believe will be potentially large users of satellite navigation?

[The information follows:]

Aviation usage will be significant; however, the surface transportation modes are expected to have the largest number of civil GPS users. The 1992 Federal Radionavigation Plan projects the following distribution of users.

	1992	1998	2004
Civil Users:			
Aviation	1,200	20,000	300,000
Surface	5,600	100,000	2,000,000
Maritime	9,000	75,000	165,000
Military Users	16,000	28,000	37,000

COSTS TO OPERATE GPS

Mr. CARR. What are the estimates of the costs to operate and maintain GPS and what share of those costs might be borne by civil users?

[The information follows:]

According to the Department of Defense, the cost of sustaining minimum basic GPS services, once the complete constellation is established, is approximately $400 million per year. This consists largely of the acquisition costs of satellites ($30M to $40M each) and booster rockers ($30M to $40M each), and of launch costs ($15M to $20M per launch). At current estimates of satellite life in orbit, between three and four launches per year will be required. The cost of staffing control segments, performing worldwide maintenance, and providing necessary upgrading of the master control station is stated as $30M per year.

The portion of GPS costs that might be borne by civil users has not been determined. Factors that could influence the "formula" include: degree of control retained by DOD, population of each category of users, prospects for practicable user charges, and resolution of current international concerns.

PRIVATE SECTOR USE OF GPS

Mr. CARR. Have you given any thought to private companies that may be interested in GPS and how they might be accommodated in your planning for joint military/civil operations?

[The information follows:]

As long as GPS continues a military-owned and -operated system, a private sector role for it seems improbable. However, to the extend that non-defense government interests become involved, we believe that there could be a role for private companies. At the moment, activities in this arena appear to be premature as we await the outcome of the DOD/DOT Task Force. Possible options could include examination of the private sector.

VOLPE CENTER SUPPORT FOR RADIONAVIGATION

Mr. CARR. What kind of technical support is being provided by the Volpe Center with regard to the development of the 1994 federal radionavigation plan?

[The information follows:]

It is anticipated that the Volpe Center will serve as the primary support agent in the preparation and submission of the 1994 Federal Radionavigation Plan (FRP) for the joint approval by the Secretary of Transportation and the Secretary of Defense. Planned activities include: coordination with concerned public agencies; liaison with the international community; conduct of user input meetings; technical and economic assessments; and the development, publication, and distribution of the 1994 FRP.

STARTUP AFTER COLONIAL SPILL

Mr. CARR. The Colonial Pipeline Company was recently permitted by RSPA to resume operations of the pipeline that ruptured in the northern Virginia area, spilling approximately 400,000 gallons of oil. Some of the local residents were concerned about that decision.

On what basis did you determine that the pipeline was safe for startup operations?

[The information follows:]

RSPA's Office of Pipeline Safety's historically successful policy of requiring a 20 percent reduction in operating pressure before returning a pipeline that has failed back to service provides the same margin of safety as a hydrostatic pressure test. Negotiations with Colonial and local officials resulted in a pressure reduction of greater magnitude than RSPA's originally proposed standard 20 percent for returning the pipeline to service. RSPA's consideration of repairs made to the pipeline, the mode of failure, and conservative pressure reduction to 50 percent of maximum operating pressure, convinced RSPA to conclude that the pipeline could be operated safely.

RSPA RESPONSIBILITIES OVER PIPELINES

Mr. CARR. Would you clarify for us RSPA's jurisdiction over pipeline operations in that area?

[The information follows:]

The Hazardous Liquid Pipeline Safety Act of 1979 (HLPSA) and the Natural Gas Pipeline Safety Act of 1968 (NGPSA) provide RSPA broad safety regulatory authority for liquid and gas interstate pipelines. This includes authority to issue regulations and investigate the records and properties of pipeline operators. The HLPSA and the NGPSA provide a variety of compliance tools ranging from a warning letter for alleged violations of regulations to a hazardous facility order requiring suspended or limited operation of pipeline facilities. The colonial pipeline is subject to the regulations established by the HLPSA set forth in Title 49 CFR Part 195 and the compliance sanctions provided for the HLPSA. Columbia Gas Transmission Company, located in the same right-of-way as Colonial pipeline, for example, is subject to Title 49 CFR Part 192.

PIPELINE RISK-BASED PROGRAM

Mr. CARR. During 1991, RSPA began full-scale implementation of a risk-based pipeline inspection plan for scheduling pipeline inspections prioritized by degree of risk. Does the Colonial oil spill indicate that your risk-based inspection system is not working?

[The information follows:]

No, preliminary indications are that the Colonial release was caused by outside force damage to the pipeline. A standard pipeline inspection would not have revealed that the pipeline had incurred damage from outside forces. RSPA's Office of Pipeline Safety conducted a standard inspection March 1–3, 1993, of Colonial's operating area encompassing the 36-inch pipeline that failed March 28, 1993, near Reston, Virginia.

INSPECTION OF COLONIAL PIPELINE

Mr. CARR. Has the pipeline been inspected according to the schedule in your risk-based inspection plan?

[The information follows:]

Yes, seven Colonial inspection units were scheduled and inspected in 1992 in accordance with the risk-based plan. Three out of four of the Colonial inspection units in the Eastern region were scheduled for inspection in calendar year 1993 due to actions developed in 1992 which are a part of the Pipeline Inspection Priority Plan and risk-based inspection plan. The Baltimore inspection unit which encompasses the 36-inch Colonial pipeline that failed March 28, 1993, was inspected March 1–2, 1993.

COLONIAL SPILL LESSONS LEARNED

Mr. CARR. Have you learned anything from this particular incident that will improve your ability to respond to future such spills?

[The information follows:]

RSPA's Office of Pipeline Safety is continuing its investigation of the March 28, 1993, incident. After every incident, RSPA reviews the results of compliance orders to identify areas for potential improvements to safety and environmental safeguards in other pipeline systems. Additionally, we are participating in a critique of response efforts by the operator and federal, state and local authorities to determine how to improve our national response system. Both review initiatives are still in progress.

COLONIAL EMERGENCY RESPONSE PLAN

Mr. CARR. Have you reviewed the oil spill emergency response plan Colonial submitted as a result of new federal requirements? What has been the adequacy of their clean-up effort?

[The information follows:]

We have performed a preliminary review of the plan as a result of the March incident. We will be performing a more detailed review of the plan after we complete the development of a standard plan review methodology this summer. We also reviewed the situation reports and, as mentioned above, participated in a critique of the response with all involved Federal, state and local agencies. Generally, the Colonial clean up effort was considered satisfactory by all the federal agencies in on the National Response Team who participated in the response effort. The Federal On-Scene Coordinator from Region III of the Environmental Protection Agency found Colonial very responsive to all requests for support.

SMART PIGS

Mr. CARR. RSPA has initiated rulemaking on hydrostatic testing of certain hazardous liquid pipelines, and on requirements for the use of electronic internal inspection devices, called "smart pigs", for liquid pipelines.

What is your current assessment of whether stronger regulatory requirements than currently exist in these two areas could have prevented this rupture?

[The information follows:]

The National Transportation Safety Board is performing a metallurgical examination of the failed pipe to determine the cause of the failure. Pending the results of the metallurgical examination, it would be premature to make a determination whether regulatory requirements regarding hydrostatic testing or the use of internal inspection devices would have prevented this particular rupture.

HIRING OF PIPELINE INSPECTORS

Mr. CARR. Recent data provided by RSPA indicate that you currently have three pipeline inspectors in the Eastern Region which covers the Northern Virginia area, and a total of 22 pipeline inspectors, nationwide. This is one less inspector than the 23 inspectors you had on board at this time last year. You don't seem to be making any progress in getting your inspector staffing levels up to authorized levels.

Why do you have fewer inspectors on board today than last year?

[The information follows:]

An additional inspector has been on special, temporary detail in Washington, D.C., serving as the Pipeline Safety enforcement liaison with the Chief Counsel. We also have plans to fill 2 additional inspector positions in fiscal year 1993, subject to our reprogramming for additional PC&B expenses.

HIRING NEW PIPELINE INSPECTORS

Mr. CARR. In the fiscal year 1993 budget, Congress authorized an additional six full-time positions for the Office of Pipeline Safety to hire additional pipeline inspectors, for a total of 30 authorized inspectors. What is the status of your efforts to fill these positions?

[The information follows:]

Of the 30 inspector positions authorized for the Pipeline program, we have 22 inspectors currently on board. An additional inspector is on special, temporary detail in Washington, D.C., serving as the Pipeline Safety enforcement liaison with the Chief Counsel. We also have plans to fill 2 additional inspector positions in fiscal year 1993, subject to our reprogramming for additional PC&B expenses. We cannot fill the remaining 5 positions because we have lack adequate FTE & salaries (3 of the 6 inspector positions are not planned to be annualized in fiscal year 1994, and 2 additional FTE have been reduced in support of the President's goal to reduce government size).

PIPELINE INSPECTOR RESOURCES

Mr. CARR. Do you have sufficient inspector resources to fully implement your risk-based inspection program?

[The information follows:]

Our pipeline safety inspection program supports the President's request for fiscal year 1994. We are unable to hire 5 positions because we have lack adequate FTE & salaries (3 of the 6 inspector positions are not planned to be annualized in fiscal year 1994, and 2 additional FTE have been reduced in support of the President's goal to reduce government size).

REDUCED STAFFING FOR PIPELINE INSPECTORS

Mr. CARR. If not, why are you requesting to reduce staffing by two FTE for the Office of Pipeline Safety in fiscal year 1994?

[The information follows:]

RSPA is conforming to the President's initiative of reducing FTE use.

PIPELINE PROGRAM REVIEW

Mr. CARR. In response to the Colonial pipeline oil spill, Secretary Pena announced that he had asked RSPA to review, as quickly as possible, its current regulations and those under development to maximize environmental protection.

What actions are you taking in response to Secretary Pena's directive?

[The information follows:]

We are taking a look at our overall program from an environmental standpoint. We want to determine the extent of environmental protection the current regulations provide, what the planned regulations will provide, and what environmental initiatives may be needed. We are also looking at our related activities in the areas of compliance, state programs, and research. A report of our findings will be submitted to the Secretary in May.

PIPELINE RULEMAKING BACKLOG

Mr. CARR. The 1988 and 1992 pipeline safety acts included numerous mandates for RSPA to conduct rulemaking in the pipeline safety area. There were approximately 14 mandated rulemakings in the 1992 act alone. Please give us an update on how well you are addressing your rulemaking backlog.

Do you have a strategic plan for addressing this new workload?

[The information follows:]

We have not made as much headway as we had intended in reducing our rulemaking backlog. Nevertheless, under the 1988 act, we published a notice of rulemaking on smart pigs (57 FR 54745), leaving only rulemakings on providing maps to state officials and pipe inventory remaining to be done under the 1988 act, and we expect to issue a notice on these topics soon. We also recently issued rulemaking notices on low stress level hazardous liquid pipelines (58 FR 12213) and excess flow valves (58 FR 21324), two of the fourteen mandated by the 1992 act.

Our strategic plan to address the existing and new workload involves a redirection or reordering of the pipeline program. In early 1991, RSPA initiated an organizational assessment of its pipeline program to prepare for a rapidly growing workload and the addition of environmental protection to its statutory mission. The assessment resulted in a redefinition of roles and a realignment of functions. Changes being implemented to improve efficiency and productivity include increasing the use of non-regulatory alternatives to resolve safety/environmental issues; decentralizing decisionmaking to the regional offices to be closer to the real customers; working interactively using project teams to streamline document preparation; shifting inspection priorities to include more emphasis on new construction and accident investigations; and upgrading information systems to increase staff effectiveness. Benefits being realized include better use of scare resources, improved communications, increased outreach to customers, and higher employee morale. The realignment of functions has identified the need environment, spill-response, mapping, and other related skills.

As part of this plan, we recently initiated a program to assess all potential pipeline safety and environmental problems on a risk basis. We plan to use a mathematical model to guide our application of resources to solutions that yield the greatest safety and environmental rewards, without unduly burdening industry or government. With a well-founded risk-based assessment plan, we expect to establish the credibility of our decisions, justify the commitment of our resources, and minimize future directives that require resources for activities that have no basis in risk-based prioritization.

PIPELINE PRIORITY RULEMAKING

Mr. CARR. What are your six highest priority rulemakings and what is your timetable for issuing final rules?

[The information follows:]

We have preliminarily ranked several rulemakings aimed at preventing accidents or mitigating accident effects. The following table shows the six highest priority rulemaking projects, with projected completion dates, all of which are subject to change pending completion of our environmental review for Secretary Peña:

	Project	Completion date
1	Excess flow valves (final rule)	December 1993.
2	Hydrostatic testing of certain hazardous liquid pipelines (final rule).	July 1993.
3	Low stress hazardous liquid pipelines (final rule).	December 1993.
4	Passage of internal inspection devices (final rule).	October 1993.
5	Excavation damage prevention program (interim final rule; supplemental NPRM).	April 1993.
6	Customer-owned service lines (NPRM)	April 1993.

RISK-BASED PRIORITIZATION PLANNING PROCESS MEETING

Mr. CARR. On February 2, 1993, the Office of Pipeline Safety held a public meeting to seek industry and public input on your new risk-based prioritization planning process, which is designed to assist in allocating resources to the most serious pipeline safety risks.

Would you tell me more about your planning process and what types of industry and public reaction you received?

[The information follows:]

OPS has renamed the risk-based prioritization planning process Risk Assessment Prioritization (RAP). The RAP process includes five essential steps and numerous supporting steps. The essential steps are (a) the identification of pipeline safety risks (ISSUES), (b) the identification of potential OPS remedial actions (SOLUTIONS) for each ISSUE, including congressionally directed actions, (c) the rating of each SOLUTION for its effect in reducing the probability and consequence of accidents and for the cost of implementation, (d) the ranking of the ratings, and (e) the assignment of resources for implementing SOLUTIONS.

The principal responses to the February 2 meeting and other presentations have been encouragement to OPS to adopt the RAP process and requests to broaden and formalize industry and public participation in the process. Accordingly, the process has been modified to provide direct industry and public input in identifying ISSUES and SOLUTIONS and similar input by including the pipeline safety advisory committees as part of the rating panel. OPS management will perform the final essential step of allocating resources.

Mr. CARR. How will this new process improve the cost-effectiveness of your program?

[The information follows:]

OPS will improve its cost-effectiveness by (a) determining the relative significance of solutions to identified risks; and (2) directing OPS and state resources to those solutions that achieve the greatest reduction in risk to public safety and the environment at the least cost.

PIPELINE CONSEQUENCE OF LOW RISK PIPELINES

Mr. CARR. If the process reveals that one of the Congressionally-mandated regulations of the Pipeline Safety Act of 1992 is a low priority, based on a technical assessment, or is not cost-effective, based on an economic assessment, what will you do?

[The information follows:]

If the ranking of a Congressionally-mandated action is sufficiently low that resources are not available without delaying higher priority actions, RSPA would request that the Secretary seek an amendment to the pertinent statutory provision to either remove or modify the mandate, or extend the date for its completion.

EXCESS FLOW VALVES

Mr. CARR. For many years, the NTSB has repeatedly requested RSPA to issue regulations requiring excess flow valves. In addition, the 1992 Pipeline Safety Act requires you to issue regulations in this area. Two years ago, you issued an advance notice of proposed rulemaking on excess flow valves.

When do you anticipate issuing a notice of proposed rulemaking—the next step in the regulatory process—and why is it taking so long?

[The information follows:]

On April 21, 1993, RSPA published a notice of proposed rulemaking on the installation of excess flow valves in certain new and replaced gas service lines (58 FR 21324). This highly controversial notice was not issued for over 2 years after publication of the advance notice in December 1990. This was due to the need for a thorough evaluation of the unusually large number of comments we received on the advance notice. In the interim, we sought advice from the Technical Pipeline Safety Standards Committee, and developed a cost benefit evaluation. It should be noted that the EFV rulemaking was only one of about 20 rulemakings on RSPA's Regulatory Agenda that were in various stages of development.

COMMENTS TO EFV RULEMAKING

Mr. CARR. What comments did you receive on the advance notice, and do you anticipate that gas distribution companies will have difficulty complying with any resulting regulations?

[The information follows:]

Since the proposed rule was only issued on April 21, it is too early in the rulemaking process to speculate on any difficulties in complying with resulting regulations. There were difficulties raised by commenters to the ANPRM which were addressed in the proposed rule.

In particular, there were numerous comments that EFVs are unreliable because they often close inadvertently, and frequently fail to reset necessitating excavation of the service line and removal of the EFV. The proposed rule addresses this issue by (1) prescribing performance criteria for the installation of new EFVs. and (2) limiting the installation to those service lines whose pressure is not intended to drop below 10 psig. There were comments concerning unauthorized repairs of severed lines by contractors causing the damage, without the gas distribution company being notified because gas is bypassed around the EFV and will flow again through the service line once it is repaired. The proposed rule addresses this issue by disallowing the bypass feature.

COST/BENEFIT ANALYSIS FOR EFVS

Mr. CARR. Please update us on your cost/benefit analysis for this rulemaking and tell us what is the current installation cost of an excess flow valve on a service line?

[The information follows:]

A benefit-cost study accompanying this rulemaking supports this proposal. The costs associated with EFVs included materials, labor, and false closures. The benefits included lives saved, injuries prevented, property loss avoided, and emergency response services unused. The study concluded that because the benefit-to-cost ratio is greater than 1.00 (1.04 to 1.73 depending on a range from 60 percent to 100 percent in the reduced costs to society due to incident consequences avoided), the installation of EFVs on all new or replaced single-family residential natural gas services of 2-inch diameter or less operating at 10 psig or above would be cost beneficial.

With respect to EFV installation costs, we obtained information from the five gas distribution companies that are known to have installed over 5,000 EFVs between 1980 and the end of 1991, that indicates that the cost of an EFV installed on a new service line is around $28.

Mr. CARR. The Secretary has the flexibility to determine the circumstances under which operators must install excess flow valves under your proposed rule. Please provide examples of where excess flow valves might not be required.

[The information follows:]

As proposed in the NPRM (58 FR 21524, April 21, 1993) the installation of EFVs would not be required on service lines which—

Operate at a pressure less than 10 psig;

Are installed on other than single-family residences; or

Contain contaminates in the gas stream which could cause the valve to malfunction.

NTSB REPORT ON SMART PIGS

Mr. CARR. In September 1992, the GAO reported that the safety of the nation's aging natural gas pipelines could be improved by greater use of instrumented internal inspection devices, called "smart pigs." The NTSB has also had this recommendation on its "Most Wanted" List.

In your experience, how do hazardous liquid pipelines compare with natural gas pipelines in terms of susceptibility to ruptures and leakages and in terms of number of incidents and resulting fatalities, injuries, and property damage?

[The information follows:]

For the years 1988 to 1992, hazardous liquid pipelines averaged fewer accidents annually than the natural gas pipeline systems (transmission, distribution, and gathering combined). During that period, 1204 incidents were reported by natural gas pipeline operators as opposed to the 980 reported by hazardous liquid pipeline operators. Hazardous liquid pipeline incidents also resulted in fewer deaths and injuries than natural gas pipeline incidents. For the years 1988 to 1992, 114 deaths and 485 injuries resulted from natural gas pipeline systems as opposed to the 13 deaths and 110 injuries resulting from hazardous liquid pipeline systems.

Average Annual Statistics for Years 1988 to 1992

	Incidents or Accidents	Deaths	Injuries	Property Damage
Natural Gas Distribution	155.2	17.2	80.4	$9,265,208
Natural Gas Transmission and Gathering	85.6	5.6	16.6	$15,523,119
Hazardous Liquid	196	2.6	22	$27,038,633

NPRM ON SMART PIGS

Mr. CARR. You recently issued a notice of proposed rulemaking on this subject. How do the proposed rules address existing pipelines, as compared with new and replacement pipelines?

[The information follows:]

The NPRM proposes regulations requiring that new or replaced gas transmission and hazardous liquid pipelines be designed and constructed to accommodate the passage of instrumented internal inspection devices. The proposed rules would apply to existing pipelines only to the extent they are replaced after the effective date of the final rule. The proposed rule would facilitate increased use of instrumented internal inspection devices by reducing the expense of future pipeline modification required to use smart pigs.

Mr. CARR. Please comment on your assessment of the costs and benefits of the proposed rule.

[The information follows:]

RSPA believes that the proposed rules would add minimally to the design and construction of a pipeline. Information that RSPA has collected from the mandated study under section 304 of the Reauthorization Act of 1988 shows that about 90 percent of hazardous liquid pipelines and 60 percent of gas transmission pipelines have been constructed to accommodate the passage of pigs. Moreover, this information confirms RSPA's field experience that most operators are now constructing new and replacement gas transmission and hazardous liquid pipelines to accommodate smart pigs.

YARD LINE JURISDICTION

Mr. CARR. Last year, you told us that RSPA might need statutory clarification regarding your ability to regulate gas lines in the yards of residences, so-called yard lines.

Does the 1992 Pipeline Safety Act provide you the necessary authority?

[The information follows:]

The Pipeline Safety Act of 1992 did not clarify the authority to regulate yard lines. However, the Act does require us to review the safety aspects of yard lines, including the need for legislative changes. We are to report our findings, with legislative recommendations, by October 24, 1994.

BUDGET REQUEST TO STUDY YARD LINES

Mr. CARR. Your budget justifications (page 182) include a request for $125,000 to study the issues involved with yard lines to gain a better understanding of their number and location and risks associated with them. Please tell us how you would go about this?

[The information follows:]

The Pipeline Safety Act of 1992 mandates that RSPA perform surveys on the states' experiences and policies involving customer-owned service lines.

The first survey will go to all the states asking them to describe their laws, policies and procedures concerning customer-owned service lines including the effectiveness of these laws and policies. Also, we are requesting accident histories of these lines, the cost of ensuring safety and the civil liability of the distribution companies if they take over maintenance of these lines. Finally, we are requesting information on the number of miles and location of customer-owned service lines.

In addition, the Office of Pipeline Safety will survey owners of customer-owned service lines regarding whether or not they believe that distribution companies should take over responsibility for maintaining the lines. This survey will be conducted by selected random sample of customers in the states with the largest number of customer-owned service lines, which we believe will be representative of customer-owned service lines nation-wide.

Mr. CARR. Your justifications (page 182) also indicate that you have conducted a preliminary assessment of the benefits and costs involved in regulating yard lines. What were the results of your preliminary analysis?

[The information follows:]

A preliminary assessment of the costs and benefits involved in regulating customer-owned service lines (based on the experience of one state), suggests that accidents are almost seven times as likely on customer-owned service lines as on operator-owned lines because many customer-owned lines are pre-1970 pipe that are not up to RSPA standards and, therefore more likely to experience corrosion and leaks.

The additional cost of regulating these lines was considered to be the additional cost of inspection which was estimated to be $3 per line per inspection. This inspection is to take place approximately every 5 years in accordance with regulations. The annual nation-wide cost of this inspection program is $3.3 million. The benefits of this more frequent inspection are estimated to be a reduction in accidents to these lines which would save $9 million annually. The net benefit to society of this rule would be $5.67 million annually. The $3.3 million cost does not include the cost of pipeline replacement. If the cost of replacement of substandard customer-owned pipeline is included, the cost of this rule would be $25 million annually.

STATE MATCH FOR FEDERAL PIPELINE GRANTS

Mr. CARR. For several years, RSPA has been discussing the possibility of reimbursing states for up to 50 percent of their costs incurred in carrying out their pipeline safety programs. However, your fiscal year 1994 budget request includes $7.0 million for state pipeline safety grants—the same amount appropriated in fiscal year 1993—which will reimburse states for about 35 percent of their costs.

Your budget justifications (page 186) indicate that "It is in RPSA's best interest to provide sufficient financial incentive to the states, because the states shoulder the majority of the pipeline inspection workload."

If that is the case, should the states be provided a higher level of reimbursement, and have you abandoned your previous goal of providing a 50 percent reimbursement?

[The information follows:]

As part of our phased approach to a performance-based grant allocation formula, we are continuing to emphasize with states the importance of improving their program performance in order to be eligible to receive the full 50 percent reimbursement of their program costs. Some state agencies are having particular difficulty in meeting performance factors in the areas of assuming safety jurisdiction over all intrastate pipelines and adopting critical Federal requirements (e.g., one-call programs) because of delays in obtaining the necessary legislative authority.

CY 1993 was the first year we used new performance factors, totaling a maximum of 100 possible performance points if all requirements were met. There were only two state agencies with a score of 100 in the liquid program and none in the gas program (although five had 99's). Based on these preliminary performance scores, it is apparent the states have a good deal of work to do before they are eligible for 50 percent funding. In the meantime, in conjunction with the states, we are continuing to refine the performance factors to assure we have objective measures covering all aspects of state performance.

In return for improved state performance, we have committed to working toward achieving full 50 percent grant funding of state program costs. We have not abandoned our previous goal of 50 percent reimbursement.

IMPROVEMENTS TO STATE PIPELINE PROGRAMS

Mr. CARR. What improvements have you seen in state pipeline safety programs? What states have improved over the past year?

[The information follows:]

During the past year, a number of states made progress in taking on additional responsibility for intrastate pipelines and adopting minimum Federal requirements. For example, Kansas extended its safety jurisdiction to liquified petroleum gas and master meter systems. New York extended its jurisdiction to intrastate hazardous liquid pipelines. Iowa, Oklahoma, and Utah adopted one-call programs meeting most of the Federal requirements (a number of states are having difficulty obtaining authority to levy civil penalties consistent with the Federal level). States having the best programs, across the board, include Arizona, Minnesota, and Arkansas.

PIPELINE GRANT PROGRAM BASED UPON PERFORMANCE

Mr. CARR. What financial incentives are included in your fiscal year 1994 request for pipeline safety grants to encourage states to take on additional responsibilities, such as safety inspection of intrastate pipelines?

[The information follows:]

RSPA continues to move to a performance-based grant allocation. In 1993, 75 percent of the grants to the states will be based on performance. Three major areas of emphasis are intrastate jurisdiction, regulation adoption, and one-call programs; these areas make up 35 of the 100 performance points. The same number of performance points will be assigned to these areas of emphasis in 1994. Consequently, regardless of the grant appropriation funding level, those states that achieve higher performance will receive a higher percentage of funding relative to those states with poor performance.

PERFORMANCE MEASURES FOR PIPELINE GRANTS

Mr. CARR. You issued a final rule earlier this year to phase in a restructured allocation formula for distributing state grants based on certain performance measures. What performance measures are you using?

[The information follows:]

The restructured allocation formula includes a maximum of 100 points measuring various aspects of performance: 50 points reflect state field performance (e.g., operating practices; quality of state inspections, investigations, and enforcement actions; adequacy of recordkeeping) and 50 points reflect state compliance with national program objectives (e.g., extent of jurisdiction, inspector qualifications, number of inspection person days, state adoption of applicable regulations including one-call programs).

Mr. CARR. The justifications indicate that 75 percent of state grant allocations in calendar year 1994 will be based on performance. Why shouldn't 100 percent of the grant be performance based?

[The information follows:]

The performance-based grant allocation formula is being phased in to give states lead time to take steps necessary to improve their performance. In 1991 and prior years, 25 percent of the allocation reflected performance; in 1992, 50 percent reflected performance, and in 1993 and 1994, 75 percent will reflect performance. The intent is to eventually increase the allocation to a 100 percent performance base. However, in light of the difficulty some states are facing in obtaining necessary legislative authority to adopt Federal requirements, we have slowed down full implementation of the performance-based allocation. In 1993, we did, however, use new performance factors, totaling a maximum of 100 possible performance points.

ONE-CALL SYSTEMS

Mr. CARR. The most common cause of gas and liquid pipeline accidents is damage caused by construction and excavation activity. Last year, you told us that your requirements for one-call systems in your fiscal year 1993 state pipeline safety grant program would be more stringent.

How will this be addressed in the safety grant program in fiscal years 1993 and 1994?

[The information follows:]

A total of 10 out of 100 performance points used in determining a state's grant allocation deals with the adoption and implementation of Federal one-call notification system requirements.

USE BY STATES OF ONE-CALL SYSTEMS

Mr. CARR. How many states have effective one-call damage prevention programs, where owner-operators of buried underground pipelines are required to participate and where there is vigorous enforcement with appropriate penalties to convince excavators to use these systems more frequently?

[The information follows:]

States having particularly effective one-call systems include Arizona, California, Oklahoma, Massachusetts, and Minnesota. We have not collected statistics from states on their one-call enforcement actions but plan to do so next year.

STATE ONE-CALL TECHNICAL ASSISTANCE

Mr. CARR. To what extent are you working with the states to provide technical assistance with regard to the effective enforcement of one-call programs?

[The information follows:]

RSPA has and will continue to make OPS regional and headquarter staff available to the states in their need to adopt/enhance one-call requirements. RSPA received a resolution this year from the National Association of Regulatory Utility Commissioners formally requesting such assistance.

OPA AND ENVIRONMENTAL CONCERNS

Mr. CARR. Under the Oil Pollution Act of 1990, new requirements were enacted for the submission of oil spill response plans by pipeline operators to minimize the environmental impact of oil spills and to improve emergency response planning.

How is the Office of Pipeline Safety balancing your new environmental responsibilities with your more traditional safety concerns, and your new responsibilities under the Act?

[The information follows:]

As a function of work redesign and our analysis of our mission, the Office has for the past two years been putting a higher priority on environmental concerns. We were beginning to address numerous issues relating to the definition of environmental priorities prior to starting work on the Oil Pollution Act (OPA). When we were delegated the OPA responsibilities, we formed an interdisciplinary team from within our base program resources. This team has worked closely with the other federal agencies with OPA responsibilities to review regulatory and implementation issues. The Coast Guard, in particular, has provided significant assistance.

As we progress with implementation of OPA, we find more and more areas where our base program and OPA work are interrelated. In particular, the analyses of response zones involve consideration of areas of environmental importance and the means to provide adequate protection through preventative and response options. With data provided from OPA-required response plans, we are beginning geographic information systems work that will benefit the base program. Since low stress and gathering lines are regulated under OPA, we now have access to information on these lines which helps us with regulatory initiatives in our base program. Additionally, monitoring, leak detection and shut down systems will be reviewed under OPA as part of the calculation of worst case discharge estimates, and this will also help us with regulatory initiatives in our base program.

NUMBER OF RESPONSE PLANS RECEIVED BY RSPA

Mr. CARR. How many plans have you received in total and how many of these do you anticipate will require plan review and approval by RSPA?

[The information follows:]

Almost all pipeline operators have submitted response plans. To date, we have logged in about 1,000 plans, of which the majority require review and approval by RSPA. However, many operators already are submitting revisions to plans with very large response zones, the net effect of which is to subdivide large plans into several plans with smaller, more manageable response zones. The Area Contingency Plans (ACPs), which to a large extent have not yet been prepared, will necessitate changes in operator plans, including possible reorganization of response zones. Each of these changes require additional review and approval of plans. Further, we believe that some pipeline operators have not submitted response plans for low stress lines and gathering lines. We are attempting to identify these operators and notify them of their responsibilities under the law.

With the receipt of all the low stress pipeline plans and the subdivision of the existing 1,000 plans into more, smaller plans, we estimate that we will have about 1,700 plans to review and approve.

OPA BUDGET REQUEST

Mr. CARR. You are requesting $2.520 million in fiscal year 1994 for this new program. What is your strategy for addressing the additional workload this year and next year?

[The information follows:]

We will continue to use our team approach, request assistance from the Coast Guard, and seek a detail of Federal staff with response expertise to assist with numerous tasks. In fiscal year 1993, we expect to modify the interim final rule to clarify areas of ambiguity, develop a plan review methodology and continue the preliminary stages of processing the plans. In FY 94, with the funding requested for contract support, we expect to undertake five primary analytical tasks, each with numerous subtasks:

Task 1 Analyze plans to determine response plan minimal adequacy.
Task 2 Analyze plans to determine areas of suggested improvements.
Task 3 Perform quality control check on submitted data.
Task 4 Perform analyses of impacts and consequences of spills.
Task 5 Map and plot pipelines on geographic information system.

Based on the results of these analyses, by September 30, 1994, RSPA expects to have adequate information on which to base the decisions for plan approvals as well as recommended areas for improvements. RSPA is allowing 3–4 months to communicate plan review findings to operators and have operators perform remedial work on deficient plans, prior to the statutory deadline of February 18, 1995, by which time all plans must be approved.

OPA BUDGET DETAIL

Mr. CARR. How did you determine that $2.520 million would be needed in fiscal year 1994, and do you see future budget requirements for this activity decreasing or increasing?

[The information follows:]

Pipeline operators manage their responses to spills by dividing their operations into response zones. Since the plans were not received at the time the budget was prepared, RSPA estimated the number of plans based on the known mileage of pipelines we regulate and the estimated mileage of pipelines newly under our jurisdiction as a result of the Oil Pollution Act.

To estimate review time for each plan, we surveyed other Federal agencies with similar plan review requirements to determine labor involved and then made adjustments for level of difficulty in reviewing pipeline plans compared to other types of plans. We also surveyed contractors who do similar work for other Federal agencies to determine level of effort involved and likely costs. Our budget is based on three to five days effort with each plan, including initial review and subsequent review to assure any deficiencies have been addressed.

RSPA expects the level of effort for plan review and approval remaining constant through FY 1995, due to the operator plan changes that will occur because of the development of Area Contingency Plans. The statute requires review and approval of all significant changes to plans. By FY 1996, we expect the workload to reduce considerably. However, since this is a new program, and environmental issues are of increasing importance to the public, it is difficult to accurately predict future workload.

STAFFING FOR OPA WORKLOAD

Mr. CARR. According to the budget justifications (page 128), staffing for the Office of Pipeline Safety will decrease by two FTE even though you have new responsibilities under the Oil Pollution Act.

What are your staffing requirements to implement these new activities in fiscal year 1994 and how will they be met?

[The information follows:]

We estimate that using our team approach, we will rely on three to five existing staff, one of whom is full time, the rest of whom work from 30–60 percent of their time on OPA implementation.

TRANS-ALASKA PIPELINE COMMISSION

Mr. CARR. Congress appropriated $550,000 in fiscal year 1993 for a Congressionally-mandated Presidential Commission to assess the safety of the Trans-Alaska Pipeline.

Have the Commission members been appointed and, if so, please supply a list of the members for the record?

[The information follows:]

To date, no members have been appointed to the Commission by the President.

JOINT PIPELINE REPORT ON CORROSION

Mr. CARR. Last year, you told us that the Joint Pipeline Monitoring Office would be completing a comprehensive report on corrosion problems in the pipeline. Has the report been completed and what are its findings?

[The information follows:]

The Joint Pipeline Office (JPO) is issuing a series of reports addressing corrosion on the Trans-Alaska Pipeline System (TAPS). The following two reports have been issued:

"Corrosion Protection Monitoring of the Trans-Alaska Pipeline System," issued November 1992.

This report focuses on the field monitoring procedures used by the Alyeska (the TAPS operator) to verify the adequacy of the TAPS cathodic protection system. A properly functioning cathodic protection system, coupled with adequate field monitoring procedures, would enable Alyeska to mitigate corrosion at its onset, before expensive repairs (such as the mainline replacement at the Atigun floodplain) become necessary.

The report concludes that the TAPS cathodic protection monitoring procedures are not consistent with industry standards, and apparently do not satisfy federal pipeline safety regulations. Alyeska has submitted a plan-of-action to the JPO for development and implementation of cathodic protection monitoring procedures by May 1, 1994.

"Corrosion Protection of Crude Oil Tanks," issued April 1993.

This report addresses external corrosion of crude oil tank bottoms. It focuses on the thirty largest TAPS tanks, including the fourteen "breakout" tanks, for which OPS has primary regulatory authority, and the sixteen terminal storage tanks at Valdez, for which the State of Alaska has primary authority.

The report calls for Alyeska to cathodically protect all tanks that presently do not have a cathodic protection system in place, to upgrade existing cathodic protection systems, and to effectively monitor all cathodic protection systems on tanks. By July 15, 1993, Alyeska will submit a plan-of-action to the JPO for addressing these issues.

Mr. CARR. Last year, you indicated that you believed that the pipeline was operating safely. What is your current assessment of the overall safety and integrity of the pipeline?

[The information follows:]

In the course of its corrosion investigation of TAPS, the JPO has not discovered any conditions of such detriment to safety that Alyeska should be required to make immediate operating changes.

The two reports issued by the JPO essentially underscore the different pipeline maintenance philosophies held by Alyeska and RSPA. Alyeska has demonstrated a remedial maintenance approach; that is, Alyeska repairs corrosion damage after the fact.

RSPA maintenance philosophy, as reflected in the pipeline safety regulations, places more emphasis on prevention of corrosion damage. Such measures as cathodic protection (which prevent corrosion) and cathodic protection monitoring (which discover corrosion at its onset, before it has progressed to depth discoverable by internal inspections), provide an additional margin of safety. It should be noted that Alyeska has had no corrosion leaks on the pipeline.

Therefore, the JPO does not see an imminent threat to public safety, but rather an opportunity to place greater emphasis on corrosion prevention.

WHISTLE BLOWER REPORTS OF TAPS

Mr. CARR. According to press reports, a former safety inspector at Alyeska was fired in December by the company after making public charges that inspectors' reports of "numerous, serious and dangerous" violations of everything from environmental regulations to national electrical codes were routinely swept under the rug by his superiors at Alyeska.

Has RSPA looked into these allegations?

[The information follows:]

Yes, RSPA has looked into these allegations. Moreover, as a member of the Joint Pipeline Office (JPO), RSPA has coordinated its evaluation of all allegations by former Alyeska employees with other JPO member agencies.

It should be noted that the whistleblowers never contacted RSPA directly to report these allegations, but instead relied on an intermediary, a former Alyeska employee. Many allegations lacked the specificity that would enable the JPO to follow through with an appropriate investigation, but the whistle blower declined to furnish the additional information requested by the JPO. The JPO has determined that the bulk of the *remaining* allegations address quality assurance issues which are under the purview of the State of Alaska and the Department of the Interior.

RSPA has therefore addressed only those allegations relating to pipeline operation and maintenance. RSPA's findings are as follows:

(1) Tanks—Allegations regarding breakout tanks were consistent with information RSPA has already independently obtained as a member of the JPO Corrosion Task Force. In April 1993, the JPO issued a report entitled "Corrosion Protection of Crude Oil Tanks," which directs Alyeska to incorporate a greater emphasis on corrosion prevention into the tank maintenance program.

(2) Use of Uncertified Material—RSPA has sampled representative material certifications for RSPA regulated pipeline facilities, and found them to be in order.

(3) Falsified procedures for nondestructive evaluation (NDE) of welds—RSPA and the Bureau of Land Management agree that the repairs and radiography of these welds were completed in a satisfactory manner, and that additional investigation of these allegations is unwarranted.

Mr. CARR. What activities have been conducted to date by the Commission?

[The information follows:]

RSPA staff have begun work developing a strategic plan to analyze what must be accomplished by the Commission within resources levels and time constraints. Discussions have been held with staff from the Department of Interior, the Environmental Protection Agency and Alaskan State officials to discuss the Task Force mandates and how to best approach the audit. Once the Commission members are appointed, the plan will be used as a working document to be refined and adjusted as the Commission members may determine.

Mr. CARR. No additional funding is requested in the fiscal year 1994 budget for the Commission. Will the Commission be able to complete its work within the $550,000 currently available?

[The information follows:]

Since the President has not yet appointed the Commission, the question as to whether $550,000 will be adequate to complete the audit cannot be answered with certainty. However, we expect that the projected work can be performed within existing funding levels.

Mr. CARR. How is the Commission being staffed?

[The information follows:]

The RSPA Director of Budget and Programs, as part of a Senior Executive Service (SES) Candidate Development Program assignment, has been designated as Acting Staff Director. Key program and technical staff from the Department of Interior, Environmental Protection Agency, the Office of Technology Assessment, and the State of Alaska are also helping to develop the Commission's agenda and provide a focus to its efforts.

COMPLIANCE RATE FOR EP GRANT PROGRAM

Mr. CARR. I understand that a significant number of shippers and carriers have not yet registered under the new hazardous materials registration program, and that a large share of the nonregistrants may be small businesses.

Last year, you estimated a compliance rate of 91 percent among shippers and carriers and 4 percent among farmers in fiscal year 1993. What are the compliance rates among those groups to date?

[The information follows:]

Most farmers were excepted from the registration requirements due to their customary use of bulk containers with capacities less than 3500 gallons to transport hazardous materials, the cut-off point for registration of bulk containers. At the outset of the registration program, this exception was provided in the regulations for a one-year period. It has since been made permanent in the regulations to reflect an amendment to the HMTA included in the Pipeline Safety Act of 1992. The revisions extends to several groups of persons besides farmers, for example, many deliverers of propane and heating fuel.

Approximately 26,000 carriers and offerors of hazardous materials have registered for the 1992–93 registration year. This represents a 33 percent compliance rate from an estimated universe of 80,000 shippers and carriers. One of the purposes of the registration program is to collect better information on the number of persons actually engaged in the transportation of hazardous materials, and the program is still in its initial year of operation. Therefore, the estimated number of shippers and carriers who meet the registration requirement criteria is subject to reconsideration.

EP GRANT PROGRAM COORDINATION WITH FHWA/FRA

Mr. CARR. The FHWA has the primary responsibility for fee collection and enforcement of the hazardous materials registration program among motor carriers, and FRA for rail. What agreements do you have with FHWA and FRA regarding these matters?

[The information follows:]

The Associate Administrator for Hazardous Materials Safety has, by memorandum, requested FHWA, FRA, USCG and FAA to implement enforcement initiatives related to the hazardous materials registration program and to respond to enforcement referrals initiated by RSPA to each mode. FHWA and FRA have responded indicating their intent to ensure routine enforcement support and to include registration compliance in their respective inspection programs, consistent with RSPA's request.

ACTIONS TO IMPROVE EP GRANT COMPLIANCE

Mr. CARR. What additional actions are planned in order to achieve higher levels of compliance?

[The information follows:]

RSPA has developed an active outreach and compliance program based on information and education; these efforts have been supplemented by a heightened enforcement program. Persons subject to the registration program have been put on notice on at least two occasions in the Federal Register that failure to register and pay the fee may result in the imposition of interest, late-payment penalties, and administrative charges, in addition to civil penalties. Contacts with individual states have begun to encourage data base sharing to better identify and target (1) potential registrants and (2) persons who have failed to register. Within RSPA, the Hazardous Materials Information System contains information on shippers and carriers of hazardous materials who have reported a hazardous materials incident (e.g., a spill that resulted in an injury, death, property damage, and/or an evacuation). By conducting a review of these incident reports, both telephonic and written, RSPA is attempting to identify non-registrants. Working closely with FHWA's Office of Motor Carriers (OMC), RSPA is using the OMC's ROADCHECK efforts planned for June 8-10, 1993, to better identify persons who have failed to register. Nine states, one state from each of FHWA's regions, will combine their inspections forces with all FHWA inspectors nationwide, to emphasize the registration requirement and provide RSPA with a report of non-compliant parties for follow-up compliance action.

EP GRANT NONCOMPLIANCE ACTIONS

Mr. CARR. How many enforcement cases have been pursued by RSPA or the other modal administrations against companies that are required to pay a registration fee, but have not?

[The information follows:]

None. RSPA, with the cooperation and support from FHWA, FRA, USCG and FAA has recently established an enforcement and referral policy designed to take action against persons failing to register and pay the fee. RSPA has identified over 100 persons suspected of not registering. RSPA is referring information on those persons to the appropriate modal agencies for possible enforcement action.

EP GRANT PROGRAM COLLECTIONS

Mr. CARR. Last year, you estimated registration fee collections of $18.4 million for fiscal year 1993. What is your current estimate and how much has been collected to date?

[The information follows:]

Last year, RSPS estimated that in 1993, approximately 69,720 persons would register and pay the $250 registration fee that directly supports the emergency response planning and training grant program, which would result in the collection of $17.4 million for this purpose. To date, RSPA has collected approximately $6.5 million to support the grant program through registrations filed for the 1992-93 registration year. The 1993-94 registration year begins July 1, 1993.

FISCAL YEAR 1994 GRANT PROGRAM COLLECTION ESTIMATE

Mr. CARR. What is your estimate for fiscal year 1994?

[The information follows:]

RSPA estimates that approximately 69,720 persons will register for the 1994-95 registration year, which will generate $17.4 million in grant funds.

Mr. CARR. For fiscal year 1993, Congress provided a total of $11 million in obligation limitations for emergency preparedness grants, monitoring, and technical assistance.

What is your plan if fee collections are insufficient to support these activities this year?

[The information follows:]

We plan to use the funds from the first two registration years' fee collections to fund one complete disbursement cycle in this first year of grant awards.

EP GRANT FUNDING PURPOSES

Mr. CARR. What deficiencies in the capability of local fire and police departments to effectively respond to hazardous materials incidents are the state planning and training grants designed to address?

[The information follows:]

We estimate that 75 percent of responders to hazardous materials incidents are inadequately trained. This deficiency causes delays in responses and creates unintended hazards to responders and the public. To reduce these hazards, the two million police, fire, and emergency management personnel in this country need improved training. Assuring awareness, operations, and specialist training where necessary will assist responders in reaching a baseline capability to respond to hazardous materials incidents.

EP GRANT ALLOCATION FORMULA

Mr. CARR. You published a final rule in September 1992 to implement the planning, training and curriculum development requirements of the Hazardous Materials Transportation Act.

What criteria will be used to allocate the planning and training funds among the states and how will you ensure that funds are allocated to communities that are heavily impacted by hazardous materials movement or facilities?

[The information follows:]

The criteria RSPA is using for allocation of funds are: hazardous materials truck miles; population; highway miles; U.S. Census chemical facilities; and Emergency Planning and Community Right-to-Know Act of 1986 section 302 chemical facilities. Similarly, states are using objective data to ensure funds are allocated to communities fairly.

STATES TO RECEIVE EP GRANTS

Mr. CARR. How many states are expected to receive awards in fiscal year 1993 and what is your estimate for fiscal year 1994?

[The information follows:]

In fiscal year 1993, 48 states and 2 territories will receive grant awards. In fiscal year 1994, we expect the number of states and territories receiving grant awards to exceed 50.

INCREASES FOR EP GRANTS

Mr. CARR. You are requesting $15.675 million in fiscal year 1994 obligation limitations and appropriations for these activities, an increase of $4.675 million. The bulk of this increase—$3.9 million—would be allocated to state planning and training grants.

Why do you believe that there should be a 44 percent increase in state grant funding when this program is just getting underway?

[The information follows:]

A $3.9 million increase will bring grant awards up to levels authorized in the HMTA. Also, 75 percent of responders to hazardous materials incidents, or 1.5 million responders, are inadequately trained. Raising appropriations to authorized levels will help address this backlog of inadequately trained responders.

REGISTRATION FEE COLLECTIONS

Mr. CARR. Will registration fee collections be sufficient to support this level of program activity?

[The information follows:]

For the 1992–1993 Registration Year (September 16, 1992–June 30, 1993), approximately 26,000 persons have registered and paid the $300 fee, which, except for a processing amount of $50, is used to fund the grants program. The first grant awards are generated from monies collected from two registration years (the 1992–1993 Registration Year and the 1993–1994 Registration Year, which begins July 1, 1993). Thus, there should be sufficient monies available to fund the current awards. Beyond the first grant award, registrations above the 26,000 registrant level and/or additional funds will need to be collected to meet future grant awards. It is anticipated that RSPA will review the registration program in the Fall of 1993 to determine the actual amount of registrations and fees collected for the 1993–1994 Registration Year and to determine what, if any, action will need to be taken to fund future grant awards.

EP GRANT PROGRAM EVALUATION

Mr. CARR. An excellent time to establish criteria for evaluating the success of a new program is at the beginning so that pre- and post-implementation measures of effectiveness can be established.

How will you evaluate the success of the state planning and training grants program, and what procedures have you put into place to ensure that its impact can be successfully measured?

[The information follows:]

The application package for the grant program includes a needs assessment section so DOT can have a pre-implementation baseline, but that alone will not be sufficient to measure effectiveness. As part of our curriculum development program, we are including qualitative and quantitative state assessment procedures. This initial work will be followed by assessments in subsequent years. These profiles will be compared to measure effectiveness and to target areas for emphasis.

Support systems strategies, also part of the curriculum development effort, will include formation of state level peer groups to monitor and evaluate programs. These groups will facilitate direct feedback from grant recipients and State Emergency Response Commissions on program effectiveness.

The preceding programs and strategies will allow DOT to evaluate the success of the state planning and training grants program, and to ensure that its impact can be successfully measured.

SAFETY OF HAZMAT TRANSPORTATION

Mr. CARR. Recent data indicate that only about eight to ten deaths occur each year because of the release of hazardous materials during transportation. What is your current assessment of the safety of hazardous materials transportation today?

[The information follows:]

The transportation of hazardous materials today is safer than ever before and with continued diligence and work will continue to advance. A current assessment of the safety of hazardous materials transportation should take into account a number of measurements. These measurements include on a quantitative level the number of deaths occurring each year, the number of incidents associated with the deaths, and the number of high consequence incidents (those which are serious in nature, that may involve a disruption in transportation—evacuations, closure of major transportation arteries, or major financial loss in damages or environmental cleanup) that may or may not have involved any deaths.

A more qualitative level of assessing the safety of hazardous materials transportation includes an examination of public policy concerns recently expressed in legislation and implementing programs. Research studies concerned with the safety of hazardous materials transportation and the efforts of the hazardous material communities of shippers and carriers to reduce the level of risk in transportation, all contribute to providing an assessment of safety.

A review of the data involving hazardous materials transportation incidents and accidents indicate a consistently low level of high consequence events and deaths occurring over the past several years. To further reduce the occurrence of high consequence events will always be a goal.

A review of some of the qualitative measures of assessment indicates an increased level of consciousness concerning the safe transportation of hazardous materials. Joint programs between shippers and carriers to identify and reduce the risk of hazardous materials transportation have recently been implemented and widely promoted. Major pieces of legislation have been passed and have resulted in establishing a number of new safety programs and providing a greater level of funding and emphasis for areas such as emergency response and the training of transportation personnel. Recently, research studies concerned with identifying new areas for improvement in the field of hazardous materials transportation safety have been conducted.

In summary, the data comprising hazardous material incidents and accidents and their associated consequences demonstrate that hazardous materials transportation today is safe. The level of activity occurring and planned in both the public and private arenas for further research, study and awareness of the safety of hazardous materials transportation holds great promise for an improved level of safety in the future.

HAZMAT BENEFIT/COST ANALYSIS

Mr. CARR. Relative to other investments in transportation safety programs, I am wondering if we have reached a point of diminishing returns in achieving significant additional safety gains in the hazardous materials area. The fiscal year budget for the Office of Hazardous Materials Safety is $12.8 million—pretty much a steady state budget compared with the current fiscal year.

Does your budget reflect a situation where additional costs exceed the benefits?

[The information follows:]

In a period of significant budgetary constraints, HMS has sought to ensure that available resources are spent efficiently and are targeted on safety issues of major concern to the public and the Congress. HMS's budget is commensurate with the need to address a variety of continuing and emerging safety issues in a timely and effective manner. There are significant safety benefits to be achieved in a number of areas such as food safety and the intrastate transportation of hazardous materials; and the benefits to be derived from enhanced public safety in these areas are expected to far exceed their programmatic costs. The HMS budget request reflects continuing operations in regulations, enforcement, incident reporting and analysis, training, and technology, as well as selected targets of opportunity where significant and cost effective program enhancements can be achieved.

MAJOR HAZMAT SAFETY ISSUES/INSPECTORS

Mr. CARR. What would you say are the most significant developments on the horizon that portend further safety gains in hazardous materials transportation?

[The information follows:]

Of the more than 20 RSPA planned and ongoing regulatory actions, the following are expected to result in significant safety gains, in terms of addressing major public and Congressional concerns, enhancing nation-wide emergency response capabilities, and reducing the risk associated with the shipment and transportation of hazardous materials:

Extension of the Hazardous Materials Regulations to Intrastate Commerce;
Public Sector Emergency Response Planning and Training Grants;
Improvements to Hazardous Materials Identification Systems; and
Detection and Repair of Defects of Tank Car Tanks.

Mr. CARR. In the fiscal year 1993 transportation appropriations bill, funding was approved for four additional full-time inspectors for a fourth regional office and two full-time attorneys at headquarters. I understand that only one of the additional inspectors has been hired for the Houston office.

Is that correct? If so, what is the reason for the delay in hiring the other three inspectors?

[The information follows:]

RSPA has not hired any new inspectors to staff the Houston office. RSPA is trimming its authorized staffing as part of the President's Federal workforce reduction mandate for fiscal years 1993 and 1994. RSPA decided not to fill the new regional office inspector positions, and plans to staff the new office by internal reassignments.

STAFF FOR NEW HAZMAT OFFICE

Mr. CARR. What is your staffing plan this year and next year for the new office?

[The information follows:]

RSPA expects that the new office should become operational and productive by the end of fiscal year 1993. Accordingly, we are permanently reassigning two experienced inspectors to the Houston office. At this time, we do not anticipate any change in fiscal year 1994.

PROBLEMS IN HIRING HAZMAT INSPECTORS

Mr. CARR. You seem to have difficulty year after year in reaching your authorized complement of inspector positions. Why is that the case?

[The information follows:]

Except for an isolated case here and there, RSPA has been able to fill positions in the fiscal year they were authorized. RSPA has a policy of carefully considering all applicants to select the best personnel available. This policy occasionally requires that a position be readvertised, but has resulted in relatively low turnover in the inspection staff.

HAZMAT INSPECTOR VACANCIES

Mr. CARR. Last year at this time, you had 17 inspectors on board. What is your current number of inspectors on board, and how many vacant positions do you have?

[The information follows:]

RSPA currently has 18 inspectors on board, has made a selection in the Eastern Region, and has no vacant position.

CLASSIFYING VEGETABLE OIL AS HAZARDOUS MATERIAL

Mr. CARR. RSPA recently extended the comment period on a controversial rulemaking that would classify vegetable oil as a hazardous material and, thereby, require oil spill response plans from motor carriers and railroads transporting bulk shipments of vegetable oil.

According to press accounts, you've received nearly 150 responses to the rulemaking, including letters from 31 members of Congress.

While I could see a rationale for oil spill response plans that cover all types of oils, including vegetable oils, classifying vegetable oil as a hazardous material seems ridiculous. What was the basis for your proposal?

[The information follows:]

The rule establishes oil spill response planning measures under the Federal Water Pollution Control Act (FWPCA), as amended by the Oil Pollution Act of 1990 (OPA), and implements the spill prevention mandates of the FWPCA. The rule is also issued under the authority of the Hazardous Materials Transportation Act (HMTA).

Since its creation, RSPA has regulated, under the Hazardous Materials Transportation Act (HMTA) and other statutes, the acute hazards presented by various materials in transportation. In 1980, under authority of the HMTA, we began to regulate materials, including hazardous substances, that could cause chronic threats to health, property and the environment. The term "hazardous materials" refers, under the HMTA, to materials that may pose an unreasonable risk during the course of transportation. These materials are not necessarily harmful to foods, and many foods and food products are themselves hazardous materials.

The terms of OPA 90 are governed by the definition of "oil" in that part of the FWPCA amended by OPA 90. Since 1972, the definition of oil in the FWPCA has included non-petroleum oils such as vegetable oil. In 1980, under authority of the HMTA, we began to regulate materials, including hazardous substances that could cause chronic threats to health, property and the environment. The FWPCA and the HMTA requires RSPA to further minimize threats to property damage and environmental pollution posed by oil and hazardous substances. We determined that application of current requirements for hazardous substances to previously unregulated oil is the most practical, most effective and least burdensome method to regulate this oil.

The designation of previously unregulated oils as hazardous materials closely parallels RSPA's rulemaking in 1980 for the safe transportation of hazardous substances. In addition, our regulation of the bulk transportation of previously unregulated oil is consistent with another recent regulatory initiative taken by RSPA which expanded the scope of the HMR to include marine pollutants.

LEGISLATIVE CLARIFICATION FOR OPA 90

Mr. CARR. Is legislative clarification of the Oil Pollution Act needed?

[The information follows:]

The inclusion of non-petroleum oil in the definition of oil in regulations issued by RSPA, as required in the Federal Water Pollution Control Act, is consistent with that of the Coast Guard and the Environmental Protection Agency (EPA). This definition has been used by the Coast Guard and EPA since 1972. If Congress did not intend to regulate non-petroleum oils under OPA, then legislative clarification is necessary.

Mr. CARR. Wouldn't this proposal complicate enforcement of the Sanitary Transportation Food Act which prevents hazardous materials and food products from being transported in the same trailer or railroad car?

[The information follows:]

SFTA addresses the transportation of food products with potentially contaminating non-food products, whether or not they are hazardous materials. SFTA generally does not prohibit the transportation of food products (e.g., acetic acid solution, alcoholic beverages and phosphoric acid) are currently regulated as hazardous materials. We expect that our development of the SFTA regulations will not create inefficiencies in the transportation of those food products that are also hazardous materials, nor will the SFTA regulations be inconsistent with the hazardous materials regulations.

INCLUSION OF EDIBLE OIL RULE IN SFTA

Mr. CARR. Some groups have recommended that requirements for spill response plans pertaining to edible oils be included in the rules you are developing for the Sanitary Food Act. Are you considering this approach?

[The information follows:]

While both statutes address edible oils, the intent and purpose of the two laws are fundamentally different. Combining these requirements may lead to increased confusion since many oils are not foods and are more appropriately regulated under the HMR. We will carefully consider all approaches suggested to the rulemaking dockets.

SFTA COMPLIANCE

Mr. CARR. Your budget justifications (page 36) indicate that your compliance and enforcement activities under the Sanitary Food Transportation Act (SFTA) should be fully operational in fiscal year 1994. As you know, this Committee has not been a fan of that legislation.

What is the status of your rulemaking?

[The information follows:]

The notice of proposed rulemaking has been completed and will be published shortly. The SFTA rulemaking proved to be very complex and far-reaching and required extensive time to acquire the necessary resources and expertise to scope out the program requirements, conduct the supporting analyses, and develop an NPRM in an area unfamiliar to RSPA. As a result, fiscal year 1994 funding will be required to: support detailed analysis of hundreds of responsive comments to the NPRM; conduct necessary economic and technical studies to develop and justify the strategies and framework for the final rule; and initiate program implementation planning and resource requirements.

SFTA BENEFIT/COST ANALYSIS

Mr. CARR. The Volpe Center conducted a cost benefit analysis of various regulatory options. What options were considered and what were the results of that analysis?

[The information follows:]

Three options were considered in the cost/benefit analysis: (1) the base case/no-action alternative; (2) the essential-actions-only approach; and (3) a more detailed and comprehensive regulatory program. Under option 2, food transportation safety would be enhanced by regulations which utilize and consolidate industry cleaning and documentation procedures and practices already in place. Under option 3, a much more detailed and comprehensive regulatory program would be established to virtually eliminate the possibility of food contamination during transportation. The cost benefit analysis showed that option 2 would be the most cost beneficial of the alternatives considered and is the approach taken in the SFTA notice of proposed rulemaking.

REPEAL OF SFTA

Mr. CARR. Last year, we talked about whether the Sanitary Food Act should be repealed. Do you have any firmer assessment on this issue now that your cost/benefit analysis is completed?

[The information follows:]

The cost/benefit study indicated that there is opportunity for contamination of food during transportation. As a result, we not believe that regulatory action could minimize the occurrence of those events which could cause food to be contaminated during transportation.

SFTA FUNDING REQUEST

Mr. CARR. You are requesting $150,000 in fiscal year 1994 for compliance and enforcement of the regulations which have not yet been finalized. How did you determine the needed level of resources when you have not completed rulemaking?

[The information follows:]

The $150,000 requested for fiscal year 1994 was not requested for compliance and enforcement, but was based on the assumption that the SFTA program would require economic and technical analysis to support the implementation phase. This funding will be required to provide economic and technical analytical support to develop and publish the final rule and initiate the necessary implementation planning.

SFTA POSITIONS

Mr. CARR. How many positions are dedicated to SFTA activities in fiscal year 1993 and what is the planned level in fiscal year 1994?

[The information follows:]

The five positions approved for SFTA activities in the fiscal year 1992 budget are considered dedicated and will continue as such through fiscal year 1993 and fiscal year 1994. However, in the rulemaking process it is difficult to keep every position completely dedicated to a specific program on a sustained basis. Due to the inherent nature of rulemaking development, which involves periodic fluctuations of work load requirements, the specialists assigned to SFTA may not be needed at all times, and may be applied to other critical rulemaking projects. Conversely, additional support is provided to SFTA as required. We estimate that at least 5 work years of effort will be required for SFTA during both fiscal year 1993 and fiscal year 1994.

INCLUSION OF HMTA IN INTRASTATE SHIPMENTS

Mr. CARR. The Hazardous Materials Transportation Uniform Safety Act of 1990 directed the Department to regulate certain aspects of the transportation of hazardous materials in intrastate commerce. RSPA's March 1992 Priority Plan indicates that you plan to issue a final rulemaking on the issue this year.

What are the advantages to safety of extending federal regulations to cover intrastate shipments?

[The information follows:]

Application of the Hazardous Materials Regulations (HMR) to all intrastate transportation of hazardous materials in commerce will promote transportation safety and national uniformity, a major emphasis of the HMTA. Currently the transportation of only a few categories of materials, including hazardous substances, hazardous wastes, marine pollutants, oil, and flammable cryogenic liquids in bulk packagings, are regulated in intrastate commerce. States have the ability to adopt less stringent, or potentially conflicting, requirements for the intrastate transportation of the remaining categories of hazardous materials. Less stringent State regulations may result in an unacceptable level of protection for the public, including emergency response personnel. The risks posed by hazardous materials in transportation are not modified or limited by the nature of the entities conducting such transportation, e.g., the hazards presented by gasoline being transported by an intrastate motor carrier or by an interstate motor carrier do not differ.

EFFECTIVE DATE OF INTRASTATE RULE

Mr. CARR. When do you expect to proceed with such a rulemaking?

[The information follows:]

The rulemaking was delayed pending reauthorization of the HMTA. We anticipate issuing a notice of proposed rulemaking in the near future.

RAILROAD TANK CAR REGULATIONS

Mr. CARR. The NTSB has had on its "Most Wanted" list improved regulations pertaining to railroad tank cars carrying hazardous materials. I understand that RSPA and FRA are jointly pursuing efforts to assess risks posed by different hazardous materials in relationship to the design of tank cars that are used to transport these materials.

What is the status of this initiative?

[The information follows:]

A contract was awarded to Technology and Management Systems, Inc., to study the relationship between tank car safety components and chemical compatibility. Phase I of the study has been completed. The materials examined so far (primarily poisons and flammable liquids) show no problems with present hazardous materials tank car configurations. Phase II has been initiated and will cover all hazardous materials classifications and will extend through the rest of this year. The results of this analysis will be used to determine the need for future regulatory action for tank cars.

EFFECTIVE DATE FOR TANK CAR SPECIFICATIONS

Mr. CARR. Will you meet the September 30, 1993 deadline specified in the fiscal year 1993 transportation appropriations bill for the issuance of proposed rules for HM 175A [Specifications for Tank Cars) and HM 201 (Detection and Repair of Cracks, Pits, Corrosion, Lining Flaws, Thermal Protection Flaws, and Other Defects of Tank Cars)?

[The information follows:]

We are working with the Federal Railroad Administration to develop the rulemaking notices and regulatory analyses for HM-175A and HM-201. At the present time, barring any unanticipated problems, we expect to meet the deadline specified in the fiscal year 1993 transportation appropriations bill.

WORK REDESIGN IN PIPELINE SAFETY

Mr. CARR. The Office of Pipeline Safety has undergone a major work redesign, established interdisciplinary teams to accomplish its mission, and pursued major changes in its organizational procedures.

Do you plan to pursue in the Office of Hazardous Materials Safety any of the TQM techniques or organization redesign similar to that conducted by the pipeline safety office?

[The information follows:]

RSPA is committed to effectively managing its resources—funds, equipment, and most importantly, its people—to meet the evolving safety mission of the Office of Hazardous Materials Safety (HMS). HMS has been involved in "reinventing itself" on a continuing basis since the mid 1970s, tailoring its programs to its mandate, its vision, and the needs of its customers and stakeholders. This process is ongoing. Training and outreach efforts in the mid 80s were expanded and grouped together in an Initiatives and Training office to better serve our information customers in State and local government, industry and the public. More recently, we have established units devoted to our new responsibilities for registration and grants. Reallocation of staff has provided new opportunities for employee satisfaction and personal growth; for example, we established a cross-cutting team to address our new responsibilities under SFTA.

HMS has been in the forefront of reexamining and streamlining its program responsibilities as well. Performance-oriented Packaging Standards have reduced the regulatory burden on industry, harmonized international standards, and even shortened the Code of Federal Regulations by 350 pages. Incident reporting, exemption processing, and enforcement standards have all been reworked. Internal program and administrative functions are also under constant review. HMS established enforcement field offices and issued new computer equipment and software to bring the inspector out to the field and make his/her job more efficient. HMS created rotating teams to provide better service and more efficiently handle the thousands of public calls received each year.

INTERNAL CONTROLS

Mr. CARR. Your fiscal year 1994 budget request again proposes to consolidate several RSPA appropriation accounts. What assurances can you provide this year that you have the necessary internal controls to ensure the proper use of appropriated funds?

[The information follows:]

Adequate internal controls currently exist within the agency to ensure the proper use and expenditure of appropriated funds. Resource allocation is monitored carefully by management officials who receive monthly financial reports which track the funding categories and the progress being made to obligate those funds. Senior managers also prepare detailed updates on the status of their programs, describing resource utilization and program effectiveness. These materials are used to assess how well programs are meeting established milestones and to detect early problems in program execution.

The circumstances which forced RSPA to use resources for purposes other than what was requested in the budget were not driven by a lack of agency internal controls. Rather, the need to pay administrative costs which lacked a proper funding base was the reason that program funds were diverted from other purposes. For those fiscal years prior to fiscal year 1992, RSPA did not request adequate funds to pay for fixed, administrative costs. Since fiscal year 1992, RSPA has requested and Congress has provided adequate funds to pay fixed and nondiscretionary charges. Thus, the reason to divert RSPA program funds for administrative purposes no longer exists.

REPROGRAMMING RESTRICTIONS

Mr. CARR. Last year, during our hearings, you indicated that reprogramming restrictions placed on RSPA to control appropriated funds hindered your ability to meet certain program priorities. One example cited was hiring delays RSPA experienced in the hazardous materials area.

Have you experienced any such problems this year, and if so, specifically in what areas?

[The information follows:]

Yes, we have experienced problems in meeting rapidly changing program priorities. The lack of flexibility in moving funds to needed program areas, has resulted in less effective program responses and delays in reacting to Secretarial direction and emergency response. For example, in the last week of fiscal year 1992, RSPA was forced to submit a reprogramming request to the Congress for $20 thousand for critical operations in support of Hurricane Andrew. This necessary action to respond promptly to a crisis was delayed until required approvals could be obtained.

RSPA FUNDING SHORTFALLS

Mr. CARR. Have you experienced any shortfalls this year in your personnel compensation and benefits account, or any other accounts?

[The information follows:]

Yes, the Pipeline Safety PC&B account is estimating a $41 thousand shortfall in fiscal year 1993. The Pipeline Safety Travel account and the Emergency Notification contract program have funding shortfalls of $141 thousand and $50 thousand, respectively. We are preparing a reprogramming letter for receipt by the Appropriations Subcommittees.

EFFECTIVENSS OF BUDGETING PROCESS

Mr. CARR. Now that you have additional experience with your improved budgeting process, how would you describe its effectiveness?

[The information follows:]

We believe the current process of estimating and justifying resources (dollars and people) has greatly improved our ability to align resource requirements with those programs justifying the greatest need. For example, we have implemented a systems approach to justifying program and administrative resources. Before any request is accepted by senior management as a valid need, a problem is identified, an approach recommended, then a prescriptive solution is suggested. This enables the agency to tie resource requirements to those valid needs identified and accepted. The budget process is also being woven into developing the agency's program priorities, as determined by senior management officials. This ensures that all agency emphasis areas are supported and justified through the budget process.

FISCAL YEAR 1994 FTE REDUCTIONS

Mr. CARR. President Clinton's Executive Order requires all executive branch agencies with over 100 employees to reduce FTEs by 4 percent by fiscal year 1995, with three-fourths of that reduction to occur by the end of fiscal year 1994.

Your budget justifications show a reduction of 6 FTEs in fiscal year 1994 below the fiscal year 1993 enacted level. How was it determined that RSPA should take a 6 FTE reduction in fiscal year 1994?

[The information follows:]

RSPA's pro-rata share of the Department's FTE reduction target, which is consistent with the President's goal of reducing the government workforce, was set at seven FTE. Because of a one FTE increase for the transfer of accounting operations (an initiative that will decrease government spending), the net FTE decreases for RSPA is four FTEs for the Research and Special Programs appropriation (RSP) and two FTEs for the Pipeline Safety appropriation (PS), as shown in the following chart:

	RSP	PS
Fiscal year 1993 FTE	208	69
Reduction as Percentage	−2.55%	−2.55%
FTE Reduced	−5	−2
Accounting Transfer FTE	+1	+0
Net Decrease	−4	−2

FISCAL YEAR 1993 FTE REDUCTIONS

Mr. CARR. Are you implementing any FTE reductions in fiscal year 1993?

[The information follows:]

As part of planning for, and anticipating, enacted FTE reductions for fiscal year 1994, we are not filling vacancies above the anticipated fiscal year 1994 ceiling. After Congress acts upon our fiscal year 1994 request, we will adjust our on-board strength accordingly.

ADMINISTRATIVE COST REDUCTIONS

Mr. CARR. In discussions with some of the other modes, we have learned that the 3 percent reduction in fiscal year 1994 administrative expenses called for by the President is really a 3 percent decrease below a 1993 base adjusted by a 2.7 percent inflationary increase.

So, the 3 percent administrative cost reduction is really a net reduction of 0.3 percent in administrative expenses in fiscal year 1994. Is that correct?

[The information follows:]

Yes, that is correct.

OIL POLLUTION ACT USING CONTRACT GUIDELINES

Mr. Wolf. As I have indicated, a factor in the high-volume release of product into the environment during the Colonial spill was the delay of up to one and a half hours in getting to the manual valves.

Which brings me to my next subject, the importance of emergency response plans. The Oil Pollution Act of 1990 required every company operating pipelines to file a detailed emergency response plan. It is my understanding that you have a room at RSPA literally stacked with hundreds of plans awaiting review.

Your fiscal year 1994 budget request asks for $2.6 million to contract out the review of these emergency response plans. Isn't this review a "Federal responsibility" under existing government guidelines which differentiate between the two?

[The information follows:]

Yes, the review and approval of the response plans would be considered an inherently governmental function. Final review and approval will be RSPA's responsibility, not a contractor's. The services to be provided by the contractor will be analytical in nature with respect to plan content and will not entail approval of plans. Any RSPA contract will ensure that government control is maintained. The contract terms and conditions will be explicit with regard to contractor performance, and contract administration to ensure that appropriate government control is preserved.

Mr. Wolf. It is my understanding you are talking about hiring temporary or part-time graduate students to oversee this process? Shouldn't such a responsibility be somewhat higher up the chain of command?

[The information follows:]

We have considered using graduate students to assist with the mapping and plotting of pipelines on geographic information systems and to assist with defining areas of environmental sensitivity for our risk assessment process. A senior manager in the Office of Pipeline Safety oversees Oil Pollution Act implementation under the direction of the Associate Administrator.

Mr. Wolf. Why not allocate a portion of the $2.6 million you are requesting for contractor fees instead to two or three FTEs to provide oversight over any contractors?

[The information follows:]

RSPA expects the level of effort for plan review and approval to remain constant for approximately two years. By fiscal year 1996, however, we expect the workload to reduce considerably. We estimated that by using a team approach, relying on three to five existing staff, we could absorb the workload for the two year time frame.

INCREASE FOR EMERGENCY PREPAREDNESS GRANTS

Mr. Wolf. Under the Emergency Preparedness Grant program, grants are made to states to develop and implement emergency plans, including determination or hazmat flow patterns, both intrastate and interstate. This is a very important program to help state and local governments deal with hazmat spills.

I note that your fiscal year 1994 budget request includes $12.8 million for grant awards in this program—exclusive of administrative overhead—a large increase over the $9.4 received for grants in fiscal year 1993.

Isn't this a rather large increase for a program for which no oversight report has been received? Is such a report pending for this program?

[The information follows:]

Fiscal year 1993 is the first year of the grant program, and DOT has received an overwhelming response to it. In fact, 47 States have applied for grants. Congress authorized $12.8 million for the HMTA Emergency Planning and Training Grants and $8.9 million was appropriated in FY 1993. We believe there is a need for full funding of the grants. We estimate that 75 percent of the nation's 2 million first responders are inadequately trained and many Local Emergency Planning Committee plans have either not been written or, if written, have not been exercised.

The grant program is now in its initial stages and a formal report is not contemplated. We are implementing procedures to carefully monitor and review the program to ensure that it is meeting the needs of the emergency response community and the purpose of the legislation.

EMERGENCY PREPAREDNESS GRANTS ADMINISTRATIVE FUNDING

Mr. Wolf. I am also somewhat concerned about administrative costs, since it is important that we put as high a percentage as possible into the actual grants. In addition to the actual $12.8 million for grants, your budget request, on page 117, indicates that an additional $2.8 million is requested for technical assistance (computer), curriculum development, and other administrative costs. That is nearly 20 percent of the total $15.6 million requested for administrative costs.

Doesn't that seem a bit high when you consider that, for example, in NHTSA's largest grant program, the administrative takedown is only $5 million, or about 4 percent of the total $123 million?

[The information follows:]

Economies of scale are not available in small programs such as those within RSPA; therefore, administrative costs that are lower in absolute terms may appear greater on a percentage basis. RSPA's fiscal year 1994 budget request includes $1.225 million for administrative costs, less than 10 percent of the grants and less than 8 percent of the total program. Curriculum development funding is authorized separately from administrative funding in HMTA, and is shown as a separate line item in the fiscal year 1994 budget request.

Mr. Wolf. Among the administrative costs in this grant program is a $700,000 request for curriculum development, the same amount received in fiscal year 1993. Has the curriculum been developed? And, if so, why is the same level of funding needed again?

[The information follows:]

Curriculum development funding is authorized separately from administrative funding in the HMTA. The curriculum called for in the HMTA is an ongoing, continuous process. The consensus process contemplated in the HMTA to develop and refine the curriculum is a multi-year effort. The HMTA also requires that the curriculum be updated regularly to incorporate new information. A similar project to produce National Fire Protection Association Standard 472 took several years to complete.

CUTTING ADDITIONAL FISCAL YEAR 1994 HAZMAT INSPECTORS

Mr. Wolf. In the area of hazmat spills, are you also cutting the additional hazmat inspector positions you were supposed to fill in fiscal year 1994? If so, this also seems a rather small savings (about $180,000) for compromising public safety.

[The information follows:]

As part of the President's program to strengthen the economy and reduce Federal employment, RSPA's FTE allocation will not accommodate the additional inspector positions in fiscal year 1994.

CLOSING REMARKS

Mr. CARR. With that, we will excuse you. Thank you for your testimony and your help. We look forward to working with you.

Ms. MCMURRAY. Thank you, Mr. Chairman, Members of the committee.

Mr. CARR. The Subcommittee will adjourn.

WITNESSES

	Page
Claytor, W.G., Jr	511
Cothen, Grady	319
Gillespie, Tim	511
Jacobik, Anthony, Jr	1
John, Richard	747
Kaleta, Judith	747
Krick, R.L	319, 511
Lindsey, S.M	319, 511
McDonald, G.C	1
McMurray, R.A	747
McQueen, J.T	511
Mooers, R.H	1
Murphy, Kathy	319
Norman, W.S	511
Overton, Norris	511
Roberts, Alan	747
Rush, Henri	1
Simmons, J.J., III	1
Sullivan, D.F	511
Tenley, George	747
Walden, G.S	1

INDEX

Amtrak

Page
30 Mile Rule 589
Advanced Railroad Electronics System (ARES) 574
Advertising and Sales 719
Amtrak Opening Statement 512
Amtrak Prepared Statement 519
Appropriations:
    History 685
    Request 584
Atlantic City Express Service 590, 653
Auto Train 734
Barriers to Discontinuance of Service 591
Board of Directors 596
Board Letter on Revenue Shortfalls 558
Bus Service:
    Amtrak Bus Service 605
    California Network 610
    Intercity Bus Service 737
    Routes 610
    Thruway Bus Routes 611
California Rail Services 736
Capital:
    1993 Plan 724
    Capital Needs 561
    Five Year Projections 727
    Funding 620
    Other Capital 734
    Schedule 722
    Shortfall 563
    Support for the Northeast Corridor 724
Cash Balance 594
Chicago-Port Huron 590
Chiacago-Seattle-Portland Route Performance 587
Commuter Ridership:
    Benefits 571
    Service Revenues 659
    Operations 604
Complaints 600, 659
Concrete Ties, Lone Star 625
Continuous Quality Improvement 721
Contract Railroad Payments 692
Costs:
    Depreciation Costs 715

Page
Costs—Continued
  General and Administrative Costs 717
  General Support Costs 714
  Insurance and Interest Costs 714
  Marketing and Reservation Expenses 714
  On-Board Service Cost Breakdown 703
  Station Operating Costs 707
  Station Renovation Costs 704
Depreciation Costs 715
Distribution of Work Force Reductions 581
Electrification Contract 629
Employee Climate Assessment 597
Employment, State-by-State 677
Equipment:
  History of Amtrak's Overhaul Program 516
  Overhaul Status 518
  Acquisitions—Fiscal Year 1994 729
  Maintenance 595
  Trainset Acquisition 630
  Viewliner and Superliner Acquisitions 621
Fare Restrictions 577
FELA Payments and Expenses 649
Federal Subsidy Per Passenger 647
Federal Funding History Graph 683
Financial Performance Data 679
FRA's Amtrak Operating Request 594
FRA Opening Statement 540
FRA Prepared Statement 544
GAO Recommendations 718
General and Administrative Costs 717
General Support Costs 714
Grade Crossing Improvement 720
GSA Mandated Federal Employee Travel 647
High-Speed Rail:
  Administration's Initiative 540
  Amtrak Plan for Non-Electric High-Speed Locomotive 633
  Corridor Selection 631
  Development 631
  FRA Staffing for High-Speed Rail 632
  Incremental Approach to High-Spped 569
  Inter City Express (ICE) Testing 634
  Liability 632
  Maglev Prototype 635
  National Maglev Initiative 634
  Trainsets 626
  X–2000 .... 627, 634
Historic Preservation 624
History of Amtrak's Overhaul Program 516
Inflation:
  Estimate 721
  Rate Calculation 717
Insurance and Interest Costs 714
Inter City Express (ICE) Testing 634

Page

Labor:
  Distribution of Work Force Reductions 581
  Management Headcount Reduction Initiative 582
  Potential Furloughs of Maintenance Employees 580
  Protection 586
  30 Mile Rule 589
  Union Contract Dispute 594
Lone Star Concrete Ties 625
Long Distance Route Performance 588
Maglev Prototype 635
Mail Handling 733
Maintenance:
  Facilities 698
  Overhauls Planned and 694
Maintenance of Way State-by-State Expenses 700
Maintenance of Equipment:
  Costs 698
  Ratios 696
Management Headcount Reduction Initiative 582
Mandatory Passenger Rail Service Payments 681, 719
Marketing and Reservation Expenses 714
Marketing Efforts 598
Miscellaneous Revenue 687
Montrealer 589
National Maglev Initiative 634
New York Tunnels and Penn Station 734
New Inter-city Service 617
New York-Boston Project:
  Cost Estimate 629
  Northeast Corridor Improvement Project 625
  Ridership Projections 631
New York Penn Station Renovations 624
New Rochelle Station 578
Noise Abatement—Boston 727
North Carolina 403(b) Service 575
North Carolina Application for Improving Rail 574
Northeast Corridor Improvement Project 625
On-Board and Station Staffing Reductions 719
On-Board Service:
  Cost Breakdown 703
  Per Passenger Mile 703
  Staffing Reductions 719
Operating and Capital Needs 515
Operating Expenses 688
Operating Statistics 731
Other Capital 734
Overhauls:
  History of Amtrak's Program 516
  Maintenance Planned and 694
  Part-Time Station Employees 720
  Passenger Service Improvements 734
  Passenger Ridership by State 675

Page

- Passenger Issues:
  - Characteristics 602
  - Complaints 600, 659
  - Ridership by State 675
  - Surveys 600
  - Service Improvements 734
  - Surveys, Tenth Ticket Sampling 603
- Penn Station:
  - and New York Tunnels 734
  - Renovation 735
- Philadelphia Stations 583
- Poorest Performing Short-Distance Routes 657
- Poorest Performing Long-Distance Routes 655
- Portland-Boston Service 720
- Potential Furloughs of Maintenance Employees 580
- Predicting Effects of the Recession 567
- Rail Passenger Service Act 616
- Request for FY94 Appropriations 514
- Request for Supplemental Funds for FY93 513
- Revenue-to-Cost Performance 669
- Revenues:
  - FY93 Revenue Shortfalls 593
  - Projections 687
  - Estimates 687
  - Forecasts 721
  - Revenues 604
  - Revenue-to-Cost Performance 669
  - Ridership and Revenue Statistics 671
- Ridership:
  - Trends 673
  - and Revenue Statistics 671
- Rolling Stock Statistics 733
- Route Data:
  - Poorest Performing Short-Distance Routes 657
  - Poorest Performing Long-Distance Routes 655
  - Route-by-Route Performance Statistics 636
  - Route System Annual Report 638
  - Statistics 664
- Self Sufficiency 561
  - Incremental Approach 564
  - Setting a Goal 565
- Services:
  - Atlantic City Express 590, 653
  - California Rail 736
  - Montrealer 589
  - North Carolina 403(b) Service 575
  - Portland-Boston Service 720
  - The Sunset Limited 718
  - Virginia Commuter Service 573
- Smoking Policy 744
- State-Supported Services:
  - 403(b) 616, 619
  - 403(b) and 403(d) Services 661
  - 403(b) Projects 734

Page

- State-Supported Services—Continued
  - FRA View 620
  - New 403(b) Services 570
  - North Carolina 403(b) Service 575
- Stations:
  - New Rochelle 578
  - New York Penn Station, Renovation 624, 735
  - Operating Costs 707
  - Part-Time Employees 720
  - Personnel Wages 703
  - Philadelphia 583
  - Renovation Costs 704
  - Staffing Reductions 719
  - Washington Union Station, Tunnel Expansion 572
- Superliners 720
  - Acquisitions 621
- Supplemental Appropriations 595
  - Board Letter on Revenue Shortfalls 558
  - Request for Supplemental Funds for FY93 513
- The Sunset Limited 718
- Train Operations 690
- Trainset Acquisition 630
- Tunnel Expansion at Union Station 572
- Union Contract Dispute 594
- Viewliner and Superliner Acquisitions 621
- Virginia Commuter Service 573
- Wage/Price Increases 717
- X–2000:
  - Demonstrations 627
  - FRA Evaluation 634
  - Train 634
- Yield Management 601

Federal Railroad Administration

- Access Improvements on Passenger Rail Cars Study 405
- Accident/Incident Reporting Rulemaking 426
- Accident(s):
  - European Statistics 401
  - Factors in Grade Crossing 366, 398
  - Grade Crossing, Data 506
  - Hazmat, Data 481
  - Human Factors/Work-Rest Cycle 433
  - Rail Casualty/Data 485
  - Rates-Class I Railroads 482, 500
  - Train, Frequency Map, Rates 482, 490
  - Trends Data 485
- Administrator, Office of 459
- Assessments, Civil Penalty 431, 481
- Association of American Railroads, FRA Contract with 509
- Attorneys, Regional 444
- Bonus Awards, SES 449
- Budget request 320
- Capital Investment-Class I Railroads 356
- Carloads by Commodity 457

Page
Civil Penalty Assessments 431
Collection to Assessments Ratio 481
Credit Reform, Loan Guarantees under 441
Defects, Operating Practices 432
Drug/Alcohol Testing Program 407
Electronic Clipbroad Technology for Inspectors 430
Employee Injuries/Fatalities, Trends 493
Engineer Qualifications Certifications, Suspensions 435, 437
European:
  Accident Statistics 401
  Rail Safety 399
Event Recorders, Crashworthy Locomotive 506
Fatalities:
  Employee Injuries 493
  Factors in Grade Crossing 398
  in Rail Industry/Other Transportation Modes 498
  by State 369, 506
Financial Monitoring, Class II/III Railroads 440
Freight-Passenger Comparisons, Rail 348
French High-Speed Rail Safety Research 399
Geographic Information System (GIS) 405
Grade-Crossing(s):
  Accident Data 506
  Factors in Accidents 366, 398
  Fatalities—By State 404
  Model State Laws Closures 404
  North Carolina 417
  Ohio, Record 407
  Reductions in 363
  Safety 360, 367
  Study 411
  Vehicle Counts 362
  Virginia, Hazardous Crossings in 382
Hazmat Accidents Data 481
Health Insurance Costs 456
High-Speed Rail, French Safety Research 399
Human Factors Accidents/Work-Rest Cycle 433
Industry Selected Financial Data, Railroad 457
Injury Incidence Rates—Railroads/Other Industries 496
Inspector(s):
  Electronic Clipboard Technology for 430
  Hazmat 430
  by Region 477
  Staff Allocation Model 429
  Staffing Authorizations 431
  State Rail 425
  Visits to Small Railroads 430
  Work Force by Position 479
  Workload Data 477
Loan Guarantees 441
Local Rail Freight Assistance (LRFA):
  Applications 428, 467
  Fund Rescission, Proposed-FY 1992 440
  Funding 426, 438

Page

- Local Rail Freight Assistance (LRFA)—Continued
  - Grants 461
  - as Loan Program 440
  - Obligation/Allocation Data 472
  - Projects—Economic Criteria 437
  - Request 359
  - Unexpended Funds 441
- Locomotive:
  - Crashworthiness Improvements 443
  - Event Recorders, Crashworthy 506
  - Fuel Tank Research 442
- Longer Combination Trucks, Study on Impacts of 406
- Model State Laws for Crossing Closures 404
- National Inspection Plan, Safety 429
- North Carolina Grade Crossings 417
- Office Space Data 448
- Ohio Grade Crossing Record 407
- "Open-Unacceptable" Recommendations, Safety Board 500
- Opening Remarks 319
- Opening Statement 323
- Operating Practices Defects 432
- Operation Lifesaver Support 509
- Other Personnel Compensation 461
- Overseas Travel 445
- Passenger/Freight Traffic Trends 409
- Passenger Rail Cars Study, Access Improvement on 405
- Political Appointees 452
- Push-Pull Equipment 406
- Rail:
  - Casualty/Accident Data 485
  - European, Safety 399
  - Fatalities in Industry/Other Transportation Modes 498
  - Freight-Passenger Comparisons 348
  - French High-Speed, Safety Research 399
  - Geographic Information System (GIS) 405
  - Inspectors, State 425
  - Operations, U.S.-Mexico 427
  - Tracks/Bridges, Condition of 349, 357
  - Welded, in U.S 408
- Railroad(s):
  - Accident Rates—Class I 482, 500
  - Capital Investment—Class I 356
  - Class I, Status Change 431
  - Class II/III:
    - Condition of 358
    - Data 456
    - Financial Monitoring 440
  - Industry Selected Financial Data 457
  - Injury Incidence Rates/Other Industries 496
  - Inspectors' Visits to Small 430
  - Rehabilitation Loan Guarantees 441
  - Rights-of-Way as Trash Dumps 402
  - Safety on Smaller 359
  - Training Plans Review 436

Page
Regional Attorneys ... 444
Rulemaking, Accident/Incident Reporting ... 426
Safety:
  Board "Open-Unacceptable" Recommendations ... 500
  European Rail ... 399
  Factors, Rights-of-Way Cleanup ... 403
  Grade-Crossing ... 360, 367, 411
  Highlights ... 321
  Inspector(s)
    by Region ... 477
    Staff Allocation Model ... 429
    Work Force by Position ... 479
    Workload Data ... 477
  National Inspection Plan ... 429
  Operating Practices Defects ... 432
  Research, French High-Speed Rail ... 399
  on Smaller Railroads ... 359
  Staffing ... 409, 431
  Training Program ... 413, 416
Sanitary Food Transportation Act ... 425, 481
SES Bonus Awards ... 449
Staff Allocation Model, Inspector ... 429
Staffing:
  Assignments in Regions ... 410
  Increases, Safety ... 409
  Inspector, Authorizations ... 431
  Office of Administrator ... 459
State(s):
  With Best Records ... 370
  Fatalities by ... 369
  Grade Crossing, Fatalities by ... 506
  Inspection Resources, NIP ... 429
  Laws for Crossing Closures, Model ... 404
  Rail Inspectors ... 425
  Statistics by ... 371
Studies:
  Grade Crossing Safety ... 411
  Impacts of Longer Combination Trucks ... 406
  Passenger Rail Cars ... 405
  Sanitary Food Inspection ... 425, 481
Technology, Grade Crossing Safety ... 367
Track(s):
  Bridges, Condition of ... 349, 357
  Conditions by RR Class ... 355
  Standards, Continuous Welded Rail ... 434
Traffic Trends, Passenger/Freight ... 409
Train:
  Accident Frequency Map ... 482
  Accident Rates ... 490
  Lengths ... 408
  Speeds, U.S. ... 370
Training Program:
  Costs ... 416, 417

Page

Training Program—Continued
  Importance of 415
  Safety 413, 416
  State Participation in 416
  Travel 414
Transportation Test Center:
  FRA Contract with Association of American Railroads 509
  Funding 509
  Rehabilitation 427
Travel:
  Overseas 445
  Training Program 414
TSC Study on Sanitary Food Transportation Act 481
U.S.-Mexico Rail Operations 427
Virginia, Hazardous Crossings in 482
Welded Rail:
  Continuous 434
  In U.S. 408
Work-Rest Cycle, Requirements 433
Working Capital Fund Data 448

Interstate Commerce Commission

Absenteeism and Sick Leave Usage 197
Agricultural Commodities Exemption 154
Amtrak User Fees 181
Automated Response System 253
Building Renovation 302
Bus Industry:
  Adequacy of Service 240
  Exits and Discontinuances 241
  Financial Health 239
  Intercity Bus Industry Study 42
  Market Shares 241
  Operating Ratios 241
  Safety Responsibilities 172
  Service Characteristics 240
  Service Complaints 245
  Service Monitoring 292
  Statutory Responsibilities 239
  Study 170
Bus Service Characteristics 240
Closing 318
Commission Chairman's Priorities 159
Commissioners:
  Terms 186
  Staffing 247, 249
  Travel 249
  Travel and Other Expenses 252
Communications and Utilities Costs 313
Compliance and Enforcement Program 182
Compliance Investigations 300
Compliance Surveys 300
Computer Database Redesign 180, 302
Consumer Complaints 301

Page
Delinquent Billings 216
Designation of Chairman 186
Directed Rail Service 246
Economics:
  Studies 288
  Travel 289
  Travel and Other Expenses 290
  Workload Discontinuance 288
Electronic Document Management 252
Electronic Tariff Filing:
  Electronic Tariff Filing 41, 53, 161
  Implementation Plan 155
  Study 53
  Costs 167
Emergency Preparedness:
  Activities 48
  Program Activities 293
Employee Morale 197
Employment Data 190
Enforcement:
  Actions 182
  Activities 293
  Workload 300
Environmental:
  Assessments 264
  Consultants 264
  Funding 264
Financial and Safety:
  Recommendations 52
  Responsibility Trends 51
Financial Health of:
  Bus Industry 239
  Rail Industry 174
  Trucking Industry 158, 168, 257
FMC–ICC Electronic Filing 53
Furniture and Equipment Costs 313
Grain Transportation 155
Greyhound:
  Complaints 172
  Financial Condition 171
ICC Organization—Plural Executive 43
Impact of Deregulation on Motor Carrier Safety 238
Impact on Tariff Filing Due to Energy Tax 291
Information Processing Integration 198
Inspector General:
  Funding 248
  Staffing 185
Insurance:
  Compliance 168
  Enforcement 169
Intercity Bus Industry Study 42
Intermodal Freight Transportation 177
Joint FMC/ICC Filing System 122
Leased Vehicles 252

Page

- Managing Director's Role ... 44
- Messenger Service ... 253
- Mexican Border Enforcement ... 49
- Motor Carrier:
  - Impact of Deregulation on Safety ... 238
  - Income Taxes ... 262
  - Revenue Data ... 260
  - Safety Fitness ... 173
- Office of Compliance and Consumer Assistance:
  - Compliance and Enforcement Program ... 182
  - Compliance Investigations ... 300
  - Compliance Surveys ... 300
  - Consumer Complaints ... 301
  - Enforcement ... 182, 293, 300
  - Field Office Closings ... 185
  - Field Staffing ... 301
  - Regional Travel ... 302
  - Staffing ... 185
  - Travel ... 301
- Office of Economics:
  - Economic Studies ... 288
  - Travel ... 289
  - Travel and Other Expenses ... 290
  - Workload Discontinuance ... 288
- Office of External Affairs: Mailing ... 251
- Office of the General Counsel: Staffing ... 254
- Office of Hearings: Case Workload ... 254
- Office of Proceedings: Staffing ... 254
- Office of Public Assistance:
  - Public Assistance ... 44
  - Travel ... 256
  - Workload ... 45, 255, 289
- Office of the Secretary: Electronic Document Manager ... 252
- Office of Tariffs: Travel and Other Expenses ... 292
- Office Space Costs ... 312
- Office Space Usage ... 312
- OMB Budget vs. Congressional Budget ... 35
- On-Board Employment ... 38, 186
- Opening ... 1
- OPA Workload Data ... 45
- OPM Management Study ... 178, 195
- Optical Imaging of Tariffs ... 167, 291
- Organizational Changes ... 196
- Organizational Priorities ... 179
- Other Services' Costs ... 303
- P*I*E-Related Undercharge Claims ... 193
- Personnel:
  - Compensation and Benefits ... 308
  - Relocation Costs ... 314
  - Separations ... 304
- Planned Statement of Chairman McDonald ... 3
- Public Assistance:
  - Travel ... 256
  - Workload ... 44, 45, 255, 289

Page
Radar Detector Impact on Truck Safety 314
Rail Rate Reasonableness 246
Rail Surcharges/Joint Rate Cancellations Report 287
Rail Waybill Sample Costs 287
Railroad:
  Abandonments 285, 317
  Coal Price and Rate Data 280
  Directed Service 246
  Earnings Data 266
  Financial Health 174
  Financial Reporting Exemption 175
  Income Taxes 280
  Investment Data 278
  Rate Reasonableness 246
  Revenue Adequacy 175, 264
  Uniform Railroad Costing System 245
Rails to Trails 176
Reiter v. Cooper Undercharge Case 194
Reporting Contracts 253
Reprogramming Request 178
Safety Fitness Responsibilities 238
Satellite Offices' Staffing 251
SES Positions 201
Single-State Insurance Registration 216
Special Appointments 306
Staff-Year Budget Comparisons 304
Staffing:
  By Grade Level 308
  Employment Data 190
  Levels 36
  On-Board Employment 38, 186
  Planned Staffing Reductions 188
  Reductions 37, 40, 187, 316
  Reductions and Workload Impact 192
  Requests 38
  Satellite Offices 251
  SES Positions 201
  Special Appointments 306
  Sunset Proposals 35
Suspension/Special Permission Board Workload 291
Tariff Enforcement Staffing 160
Tariff Fee Billing Staffing 181
Tariff Fee Collection Staffing 290
Tariff Filing:
  Compliance 160
  Electronic 4, 53, 122, 155, 161, 167
  Enforcement 160, 291
  Impact Due to Energy Tax 291
  Moratorium 160
  Optical Imaging 157, 167, 291
  Predatory Pricing 41
  Requirements 40, 315
  Suspension and Special Permission Board Workload 291
Total Quality Management 316

Page
Training and Professional Development 197
Travel Overseas 303
Truck Industry Service Adequacy 256
Trucking Industry:
  Deregulation 169
  Economic Performance Data 257
  Employment 158
  Financial Health 158, 168, 257
  Information Technology 169
  Insurance Compliance 168
  Insurance Enforcement 169
  Radar Impact on Safety 314
  Service Adequacy 256
Undercharge Case:
  Cases 123
  Cases Pending 192
  Claims 122
  Court Challenge 151
  Issues Staff-years 195
  Legislation 315
  Legislative Remedy 151
  Legislative Savings 152
  Reiter v. Cooper Case 194
  Workload 317
Uniform Railroad Costing System 245
UPS Revenue and Income Data 258
User Fees:
  Amtrak 181
  Collection of 198
  Collection Delinquent Billings 216
  Collection Internal Controls 201
  Collections—FY 1992 216
  Collections—FY 1993 .... 181, 216
  Collections—FY 1994 .... 181, 216
  Items 217
Witnesses 1
Workload Estimates 202

Research and Special Programs Administration

Aviation Information:
  Airline Comments of Mechanical Delay Proposal 916
  Airline Statistics Budget 893
  Airline Tariff Filing Fees 893
  Aviation Data Requirements 894
  Aviation Statistics Organizational Placement 910
  Corrections to Aviation Statistics Data 915
  ETF Collections 919
  ETF Rulemaking 918
  IG Report on Aviation Statistics 914
  Mechanical Delay Final Rule 918
  On-Time Flight Performance Reporting 918
  Protection of Form 41 Data 893
  Reporting Mechanical Delays by Airlines 915
Communications Estimate 899

Page

- Costs:
  - Administrative Cost Reductions 947
  - Cost/Benefit Analysis for EFVs 926
  - Costs for Civil Rights Investigations 908
  - Office Administrative Costs 895
  - Other Services Costs 904
- Defense Conversion 795
- Emergency Preparedness Grants:
  - Actions to Improve EP Grant Compliance 937
  - Administrative Costs for Registration Program 822
  - Compliance Rate for EP Grant Program 936
  - Compliance Rates for Registration Program 822
  - Curriculum Development 824
  - Curriculum Guidelines 824
  - Emergency Preparedness Grants Administrative Funding 949
  - EP Grant Administrative Request 824
  - EP Grant Allocation Formula 938
  - EP Grant Funding Purposes 938
  - EP Grant Noncompliance Actions 937
  - EP Grant Outlay Rate 824
  - EP Grant Program Collections 937
  - EP Grant Program Coordination with FHWA/IRA 936
  - EP Grant Program Evaluation 939
  - Fiscal Year 1994 EP Grant Program Collection Estimate 937
  - Increase for Emergency Preparedness Grants 948
  - Increases for EP Grants 938
  - Non-DOT Support for Curriculum Development 824
  - Registration Fee Collections 939
  - Registration Program Fee Schedule 822
  - Registration Program Outreach Efforts 822
  - States to Receive EP Grants 938
- ERG:
  - Funds for Emergency Response Guidebook 823
  - Numbers of ERG Printed 823
- Global Positioning System:
  - Civilian Use of GPS 919
  - Costs to Operate GPS 920
  - European Resistance to GPS 919
  - Private Sector Use of GPS 920
  - Transportation Modes Use of GPS 920
- Management Initiatives 908
- National Safety Transportation Board:
  - NTSB Most Wanted List 944
  - NTSB Open-Unacceptable Actions 802
  - NTSB Recommendation for Operator Training 858
  - NTSB Recommendation of Gas Leaks 857
  - NTSB Recommendation on Cargo Tanks 816
  - NTSB Report on Smart Pigs 927
- Office of Emergency Transportation:
  - Emergency Transportation Information System 881
  - OET Geographic Display 881
  - OET Operational Readiness 880
  - OET Overseas Trip 881
  - OET Plan to Modernize Resource, Management Program 880

Page
Office of Emergency Transportation—Continued
OET Retco Support 880
OET Role in Emergencies 879
Office of Hazardous Materials Safety:
Additional Staff for Cylinder Inspection Program 817
Classifying Vegetable Oil As Hazardous Material 941
COHMED Meetings 850
Compliance Support Increase 819
Contract Clerical Support 818
Cutting Additional Fiscal Year 1994 Hazmat Inspectors 949
Cylinder Compliance with RSPA Regulations 816
Effective Date for Tank Car Specifications 945
Effective Date of Intrastate Rule 944
Enforcement Case Review 818
Enforcement Manuals 819
Federal Register Costs 820
GAO Report on HMIS 820
Hazmat Benefit/Cost Analysis 940
Hazmat Inspector Staff 817
Hazmat Inspector Vacancies 941
Hazmat Internship Program 850
Hazmat Placard Rulemaking 849
Hazmat Program Field Office 818
Hazmat Program Travel Costs 817
Hazmat Quick Reaction Testing 849
Hazmat Reports in NTIS 852
Hazmat Research Issues 849
Hazmat Shippers Database 851
Hazmat Technical Reports 852
Hazmat Training for State/Local Personnel 823
Hazmat TSI Training 850
HMIX Budget 851
Inclusion of Edible Oil Rule in SFTA 942
Inclusion of HMTA in Intrastate Shipments 944
Major Hazmat Safety Issues/Inspectors 940
Number of Federal Register Pages 820
Number of Hazmat Inspections 818
Number of Reinspections 817
Priority RSPA Rulemaking Data 809
Problems in Hiring Hazmat Inspectors 941
Radar Ban on Trucks Carrying Hazardous Materials 794
Receipts for Hazmat Registration 821
Repeal of SFTA 943
Resources Supporting Sanitary Food Transportation Act 852
Retester Inspections 817
Review of Hazmat Shipments on Airplanes 816
RSPA Response to TRB Study 825
Rulemaking Process Scheduled 805
Safety of Hazmat Transportation 939
Schedules for Recommended Penalties 819
Sanitary Food Transportation Act:
SFTA Benefit/Cost Analysis 943
SFTA Compliance 943
SFTA Funding Request 943

Page

Office of Hazardous Materials Safety—Continued
  Sanitary Food Transportation Act—Continued
    SFTA Positions 944
  Staff for New Hazmat Office 941
  Translation of Hazmat Regulations 851
  TRB Study Executive Summary 825
  TRB Study on Tracking Hazmat Shipments 825
  Truck Radar Detection Ban 793
  Workload Measures for Hazmat Program 819
Office of Pipeline Safety:
  Additional Pipeline Jurisdiction 862
  Budget Request to Study Yard Lines 929
  Colonial Pipeline Spill:
    Colonial Emergency Response Plan 922
    Colonial Pipeline Pigging Operations 778
    Colonial Pipeline Spill 775
    Colonial Spill Lessons Learned 922
    Colonial Spill vs. Other Spills 777
  Comments on Low Stress Pipeline Rule 862
  Comments to EFV Rulemaking 926
  Cost to Fund 50 Percent State Match 859
  Current Pipeline Safety Rulemakings 853
  Electronic Mapping Rule 856
  Emergency Response for Pipeline Spills 775
  Excess Flow Valves 926
  Funding Additional Inspectors 773
  Gas Pipeline Performance Review 858
  Hiring of Pipeline Inspectors 923
  Hiring New Pipeline Inspectors 923
  Improvements to State Pipeline Programs 930
  Inspection of Colonial Pipeline 922
  Legislative Clarification For OPA 90 942
  NPRM on Smart Pigs 929
  NTSB Determination of Colonial Spill Causation 776
  Number of Pipeline Inspectors 867
  Number of Response Plans Received by RSPA 933
  Offshore Inspection Resources 857
  Offshore Pipeline Regulation 856
  Offshore Pipeline Rulemaking 856
  One Call Systems:
    One Call Systems 780
    One Call Systems 931
    One Call System Model Laws 781
    One Call System Penalties 793
  Oil Pollution Act Using Contract Guidelines 948
  On-Shore Pipeline Facility Inspections 866
  On-Shore Pipeline Inspections During FY 1993 866
  OPA Budget Detail 933
  OPA Budget Request 933
  OPA & Environmental Concerns 932
  Peer Review of Pipeline Research 876
  Performance Measures for Pipeline Grants 931
  Pipeline Civil Penalties 863
  Pipeline Civil Penalty Actions 863

Page
Office of Pipeline Safety—Continued
Pipeline Consequence of Low Risk Pipelines 925
Pipeline Enforcement Staff Time 866
Pipeline Fund Balance 859
Pipeline Grant Program Based Upon Performance 931
Pipeline Inspection Intervals 867
Pipeline Inspector Resources 923
Pipeline Inspector Travel 867
Pipeline Inspectors by Region-Offshore 868
Pipeline Inspectors by Region-Offshore 867
Pipeline National Response Center Support 858
Pipeline Offshore Inspections 856
Pipeline Priority Rulemaking 924
Pipeline Program Review 923
Pipeline Research Activities 873
Pipeline Research Studies 859
Pipeline Risk-Based Program 921
Pipeline Risk-Based Program Benefits 862
Pipeline Rulemaking Backlog 924
Pipeline Safety Inspection Strategy 863
Pipeline Safety Inspectors 772
Pipeline Safety Rulemaking Backlog 853
Pipeline Safety Workload 859
Pipeline Technical Advancements 870
Pipeline Technical Studies 858
PIPP Program Accomplishments 866
PIPP Program Status 866
Reduced Staffing for Pipeline Inspectors 923
Risk-Based Prioritization Planning Process Meeting 925
RSPA Responsibilities Over Pipelines 921
Smart Pigs 922
Staffing for OPA Workload 934
Startup After Colonial Spill 921
State Match for Federal Pipeline Grants 930
State One-Call Technical Assistance 932
States in Gas Pipeline Program 868
States in Liquid Pipeline Program 870
Third Party Spill Liability 779
Trans-Alaskan Pipeline Commission 876
Use of Emergency Flow Valves 776
Use by States of One-Call Systems 932
Work Redesign in Pipeline Safety 945
Yard Line Jurisdiction 929
Oil Pollution Act:
Legislative Clarification for OPA 90 942
Number of Response Plans Received by RSPA 933
Oil Pollution Act Using Contract Guidelines 948
OPA Budget Detail 933
OPA Budget Request 933
OPA and Environmental Concerns 932
Staffing for OPA Workload 934
OPM Review of DOD Transfer 913
PC&B Estimates 894

Page

- Pipeline Task Force:
  - Joint Pipeline Report on Corrosion 934
  - Trans-Alaskan Pipeline Commission 934
  - Whistleblower Reports of Taps 935
- Political Appointments 898
- Program Support Positions 906
- Research and Development:
  - Cooperative Research and Development Agreements 883
  - Development of Tilt Rotor Technology 768
  - DOT High Speed Rail and IVHS Estimates 908
  - DOT Intermodalism 909
  - DOT R&D Budget 908
  - DRT Research Initiatives 883
  - Economic Analysis for R&D Projects 910
  - EMF Signals Causing In-Flight Problems 797
  - Federal Radionavigation Plan Costs 883
  - Fiscal Year 1992 SBIR Projects 885
  - Fiscal Year 1993 SRIP Projects 889
  - Funding DOT R&D Through RSPA 765
  - IVHS Technology 761
  - Measuring Success of R&D Projects 766
  - Radionavigation and GPS Issues 844
  - Radio Navigation Funding 883
  - Research and Development Coordination 757
  - Responsibility for DOT R&D Coordination 909
  - R&D Coordination 760
  - R&D Coordinating Council 757
  - R&D Priorities 758
  - SBIR Examples 884
  - Separate Funding for R&D 765
  - Small Business Innovative Research Program 844
  - Tilt Rotor and Title Train Technology 769
  - Use of Cellular Phones in Aircraft 796
- RSPA:
  - Effectiveness of Budgeting Process 946
  - Fiscal Year 1993 FTE Reductions 947
  - Fiscal Year 1994 FTE Reductions 947
  - Internal Controls 946
  - Reprogramming Restrictions 946
  - RSPA Funding Shortfalls 946
  - RSPA Mission Diversity 767
  - RSPA Role in Bureau of Transportation Statistics 910
  - RSPA Staff Issues 768
- SES Bonus Awards 898
- SLUC Charges 903
- Technical Barriers:
  - High Speed Rail-Power Unit Technology 763
  - Technical Barriers for New Component Materials 764
  - Technical Barriers to Construction Methodology 765
  - Technical Barriers to High Speed Rail 762
- Technology:
  - FOIA Law and Export Technology 771
  - Protection of U.S. Technology from Foreign users 769
  - Public Access to Foreign Technology 771

Page
Technology—Continued
U.S. Technology FOIAS 779
The Volpe Center:
DOT Sponsors at Volpe Center 911
Level Request for Volpe Center FTE 912
Non-DOT Projects at Volpe Center 911
State-Local Sponsors at Volpe Center 911
Transfer of DOD Staff to Volpe Center 913
Volpe Center Flexible Staff Ceiling 912
Volpe Center FTE 912
Volpe Center Land Use Report 913
Volpe Center-Non DOT Clients 801
Volpe Center Organizational Placement 909
Volpe Center Priorities 912
Volpe Center Role in DOT R&D 909
Volpe Center Staffing 794
Volpe Center Support for Radionavigation 921
Volpe Center Workload 794
Travel Estimates 898
University Transportation Centers:
Development of Rural Transit-Management Curriculum 801
IG Report on University Transportation Centers 914
Proper Use of UTC Research Funds 799
University Research Centers 798
UTC Coordination in DOT 914
UTC Functional Activities 800
UTC Overhead Rates 799

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